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December 2010

Hassan A. Taha
Executive Director
The World Bank Africa Group I Constituency Newsletter is published quarterly by the Office of the Executive Director for Africa Group I.

Executive Director
Hassan A. Taha

Alternate Executive Director
Denny H. Kalyalya

The Executive Director for Africa Group I Constituency is a member of the World Bank Group’s (IBRD, IDA, IFC and MIGA) Executive Board. The Board comprises 25 Executive Directors with each representing a specified constituency. Africa Group I Constituency comprises 21 sub-Saharan African countries.

According to the Executive Directors Handbook and Manual, Executive Directors are responsible for the conduct of the general operations of the Bank and exercise all the powers delegated to them by the Board of Governors under the Articles of Agreement. In the discharge of their duties, they fulfill a dual function: (i) as an official of the Bank and (ii) as a representative of the member country or countries that appointed or elected them.

Among other functions Executive Directors consider and approve or reject IBRD loan and guarantee proposals, IFC investments, as well as IDA credits, grant and guarantee proposals made by the President. They also decide on policies that guide the Bank’s general operations. They are responsible for presenting to the Board of Governors at the Annual Meetings, an audit of accounts, an administrative budget, and an annual report on the Bank’s operations and policies as well as other matters. In shaping Bank policy, the Board of Executive Directors takes into account the evolving perspectives of member countries on the role of the Bank Group as well as the Bank’s operational experience and policy. The Executive Directors have Board sub-committees that monitor Bank Group operations. The sub-committees are serviced by independent evaluation and audit entities.

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As this is the first issue of the reconfigured Africa Group I Constituency quarterly Newsletter and my ascendency to the position of Executive Director, I wish to express my sincere gratitude to the Governors for electing me. I consider this a distinct honor and pledge my commitment to serve our constituency as we endeavor to collectively promote Sub-Saharan Africa development agenda as well as participate in the Bank Group’s reform process. This is with a view to making it a more responsive, accountable, innovative, results-focused and pertinent to the concerns of and contributions from its global stakeholders. I am also privileged to be supported by an office with a seasoned professional team, which is so vital to the execution of our duties and responsibilities.

It is noteworthy that prior to the global economic crisis, several of our constituency member countries had made substantial progress in terms of economic growth and increased access to basic social services that contributed to declines in poverty levels. While these gains were not fully sustained due to the global economic crisis, many countries manifested considerable resilience, especially in maintaining the momentum for economic growth. However, the impact of the crisis on the poor and vulnerable groups has not been as encouraging. In this context and as I have indicated in my recent communication to the Governors, the challenges ahead are formidable and the stakes therefore remain high. This notwithstanding, we will need to remain steadfast and make strategic interventions during my tenure as Executive Director to address these challenges. In this regard, I am comforted by the fact that we can count on our Governors’ continued guidance and unrelenting support.

It is my intention in this process to build upon the good work of my predecessor, but with a specific focus on the development priorities as articulated in the 2010 Memorandum of African Governors to the Britton Woods Institutions submitted during the 2010 Annual Meetings in Washington DC. The priorities include a particular emphasis on enhanced support to Africa’s infrastructure and regional integration, intraregional trade and agricultural and agribusiness development. It is also my intention to immediately embark on galvanizing our collaborative efforts in contributing to the expeditious execution of IDA 16, whose replenishment process was successfully concluded in December 2010.

The feature article in this edition of the newsletter provides perspectives on some of these priorities and major challenges. Included also in this edition are reports on developments in the re-configured African chairs, highlights of the IDA 16 Replenishment meeting in Brussels, and other reports along with snapshots of the approved projects over the period October to December 2010.
INTRODUCTION

This feature story highlights the imperative for solidarity and vigilance among African countries, the World Bank Group and other development partners in the collaborative pursuit of Africa’s current priorities of its development agenda. The article briefly discusses the development priorities articulated in the African Governors 2010 Memorandum to the Heads of the Bretton Woods Institutions and the role and relevance of the recent replenished IDA 16.

During the 2010 Annual Meetings in Washington DC, the Governors of the African Caucus presented Africa’s current development priorities to the Heads of the Bretton Woods Institutions. Among the priorities, particular emphasis was placed on the following: (i) mitigation of the longer term adverse impact of the global crisis on support for the poor and vulnerable population (ii) enhancement of infrastructural development; (iii) acceleration of robust regional integration; and (iv) increasing agricultural productivity. These priorities reflect Africa’s resolve to reinvigorate its macroeconomic stability and pro-poor growth momentum following the global economic crisis. This is particularly challenging since the pace of global recovery is encumbered with uncertainty, high unemployment and lingering sovereign debt challenges prevailing in several advanced economies. The real and potential effects of this situation on the African economies should not be underestimated.

THE RATIONALE OF AFRICA’S CURRENT DEVELOPMENT PRIORITIES

It is indeed important to note that while many countries in our constituency did demonstrate remarkable resilience to the crisis, this was mostly in terms of macroeconomic indicators. While this macroeconomic performance is commendable, the resilience in terms of the impact of the crisis on people living in poverty and the vulnerability of others on the margin has been relatively less significant and highly disproportionate. The need therefore to ensure financial flows through grants, concessional financing modalities and support responsive to address this situation is critical if the progress achieved in poverty reduction before the crisis is to be regained and sustained.

In terms of infrastructure, there is a consensus among development practitioners that adequate support for the development of infrastructural facilities and networks are essential to the process of poverty reduction and sustainable development. Investments in infrastructure are known to contribute to economic growth through employment generation, productivity enhancement, economic integration, trade and increased access to market opportunities and essential services, including those most critical for the achievement of the Millennium Development Goals.

As indicated in the African Governors Memorandum in which the current development priorities
are articulated, Africa’s infrastructure deficit is huge and its spending needs are as high as about US$ 93 billion a year. This includes paved roads, durable and all-weather farm-to-market roads and reliable bridges, railways, ports, air transport, energy, telecommunications, housing and health and educational physical facilities, amongst others. The magnitude of the deficit constitutes a significant constraint to growth, poverty reduction and development. While the Bank Group has endorsed the emphasis on infrastructure and is providing support directly as well as encouraging other partners to increase their support along with private sector involvement, there is an urgent need to do much more through both international development partnership as well as national and regional initiatives.

From the perspective of regional initiatives, regional integration can play a pivotal role in promoting poverty reduction and development. Given the peculiarities of the African economies and the predominance of small and land-locked countries, integration can facilitate growth through securing economies of scale, access to larger markets and other vibrant means of trade facilitation. Besides the economic and financial dimensions and integrated regional infrastructural networks, effective regional integration can facilitate the achievement of sustained peace, security, rule of law and social inclusion within and between states. Such challenges go beyond the authority and capacity of individual states. To meet these challenges, initiatives should be African-owned and driven with unwavering political commitment by our political leaders.

The fourth area of priority, agricultural productivity, is often viewed as the life blood for economic growth, poverty reduction and development. As the African Memorandum correctly observes, the agricultural sector is also the driving force for ensuring food, and implicitly, nutritional security as well as serving as a major source for job creation. In addition this sector provides the socio-economic livelihood for over 50 percent of the people, albeit, largely subsistence.

The need for accelerated support to this sector remains critical. This necessitates collaborative efforts of African countries, the World Bank Group and other development partners to address the multiple impediments, including structural constraints and other barriers to increasing productivity. To buttress regional integration efforts, this support should also be given with a view to developing and implementing coherent regional policies to promote agribusinesses.

**THE ROLE OF THE REPLENISHED IDA 16**

The International Development Association (IDA), one of the largest sources of assistance for the world’s 79 poorest countries, 39 of which are in Africa, successfully concluded its replenishment process in Brussels on December 15, 2010 with about 18 percent increase from the replenishment level of IDA 15. Given IDA’s importance to Africa’s development and its focus on results, it is expected that it would provide the necessary support needed for Africa’s current development priorities. As the President of the Bank has declared, such support can serve as a catalyst for private sector investment and non-traditional partners as well as increase domestically generated resources from African countries. In this context, it is hoped that IDA would significantly increase its assistance for targeted support for the poor and vulnerable African population, infrastructural development and agriculture productivity at the national and regional levels. On the part of Af-
rican countries, it is critical to increase their own efforts towards a more robust, external shock resistant and pro-poor development. IDA is also expected to provide assistance in these areas.

CONCLUSION

Prior to the recent global financial and economic crisis African countries economic progress was encouragingly remarkable. Economic growth grew on average by about 5.5 percent within a general stable macroeconomic environment. The growth contributed to an accelerated annual poverty reduction rate, albeit less than what is required for the achievement of the MDGs and sustainable development. The World Bank Group and other development partners played a major role in providing support to the progress made. With the onslaught of the global financial and economic crisis, despite their general resilience, many African countries experienced a reversal of the gains made especially in poverty reduction.

Currently, in the wake of the slow pace of global recovery and the challenges pertaining to unemployment and financial fragility of many developed economies, Africa needs to be robustly prepared to withstand the lingering global challenges, minimize its vulnerability and regain its pro-poor growth momentum. This requires more flexible and concessionary financing, advisory services and technical support as well as the collaborative efforts of not only the World Bank Group but also other development partners. Thus, it is encouraging that IDA 16 replenishment process has been successfully concluded. It is also encouraging that the G-20 meeting held in the Republic of Korea successfully included Africa’s concerns and development needs in its post-crisis development agenda.

Paramount to these developments, it is imperative for Africa to be continuously vigilant and to consolidate its solidarity in asserting its leadership and ownership of the process as well as strengthening its capacity for promoting regional development with a view to realizing the potential benefits that can accrue from regional integration.
Sub-Saharan Africa is now represented by three Executive Directors on the Board of the World Bank. This development evolved from the World Bank Group’s reform agenda that included the enhancement of the “voice and participation” of developing and transition countries (DTC). Voice and participation refers to the extent DTC members of the WBG have equitable, transparent and proportional involvement in the decision-making process in terms of representation and inputs relative to other members. In accordance with the Bank Group’s protocol, Ms Renosi Mokate, from South Africa, was elected October 8, 2010 by the new African constituency, Angola, Nigeria and South Africa, to the Bank Group’s Executive Board.

Prior to her election, Ms Mokate was Deputy Governor at the South African Reserve Bank. She represented South Africa on the G20 Forum. She has also, among other positions, served as the Chief Executive Officer of the Financial and Fiscal Commission of South Africa.

Mr. Hassan Taha heads the African chair which represents Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Mr. Agapito Mendes Dias heads the other African chair which represents Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Cote d’Ivoire, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Republic of Congo, Sao Tome and Principe, Senegal, and Togo.
The Bank bid farewell to Mr. Toga Gayewea McIntosh, former Executive Director after serving his term in the Office of Africa Group I. He joined the Bank as Executive Director in November 2008 following his previous position as Minister of Planning and Economic Affairs in Liberia. He was particularly instrumental in advancing member countries poverty reduction agenda, strengthening their engagement with the World Bank Group and enhancing the voice and participation process that led to the addition of a third chair for Sub-Saharan Africa to the Bank’s Executive Board. From most of the comments made during his farewell reception, he was generally considered a pleasant, humble and down-to-earth professional person and a very effective Executive Director.

In his brief remarks, the incoming Executive Director, Mr. Hassan Ahmed Taha, expressed his appreciation to Mr. McIntosh. He lauded him for ably representing member countries, championing the cause of Africa and meaningfully contributing to the Bank Group’s reforms towards its transformation to a more responsive, innovative and accountable development institution. In response, Mr. McIntosh indicated that his tenure at the Bank was a meaningful and rewarding experience. He expressed his profound appreciation for the opportunity to have served and thanked the entire staff and other colleagues at the Bank for their support, guidance and commitment to the work of the Bank in general and for the support to member countries, in particular.

Presented here are selected pictures from the farewell reception organized by Africa Group I Executive Director’s office.
Farewell cont...
Following the reconfiguration process to establish the third chair allocated to Sub-Saharan Africa, the new Africa Group 1 constituency elected its Executive Director and appointed its Alternate Executive Director in accordance with the World Bank Group’s protocol.

Mr. Hassan Ahmed Taha, from Sudan, was elected as Executive Director having served as the previous Alternate Executive Director, Mr. Denny H. Kalyalya, from Zambia, was appointed as Alternate Executive Director.

Mr. Taha holds a PhD and Masters degrees from Pittsburg University, a B.Sc (Honors) from the University of Khartoum, Sudan, a Diploma in Project Management from Bradford University, UK, and a postgraduate diploma in Economic Planning from Arab Planning Institute, Kuwait. Mr. Taha has a distinguished professional experience having served in several positions including as Director General, Sudanese Free Zones and Markets Co., State Minister for Finance and National Economy, Under Secretary for the Ministry of Finance and National Economy, and several other State Ministerial portfolios as well as other high level positions in academia and boards of directors of various entities. He is also an entrepreneur. As a public servant, Mr. Taha has served as a member of High Level delegations in peace negotiations representing the Sudanese Government.

Mr. Denny Kalyalya holds a Bachelors degree (Economic and Business Administration) from the University of Zambia. He also holds two Masters degrees in Economics, one from the University of Zambia (Regional Economics) and another from the University of Massachusetts/Amherst, USA (Macroeconomics and Political Economy). He also has a PhD degree in Economics from the same university (International and Development Economics).

Mr. Kalyalya has a wealth of professional national and international experience in academia, banking and finance and economic institutions, among others. Prior to his appointment as Alternate Executive Director he was Deputy Governor for Operations and Registrar of Banks and Financial Institutions at the Central Bank of Zambia.
The IDA 16 replenishment round concluded on December 15, 2010 in Brussels, Belgium, with an increase of 18.2 percent in US dollar terms over the replenishment level under IDA 15. This outcome, which brings in a resource envelop of US$ 49.3 billion for the next three fiscal years, exceeded expectations especially given the fiscal difficulties confronting majority of donors.

The outcome exemplifies donors’ full appreciation of the urgency of the task ahead of the low income countries in addressing the challenges of meeting the MDGs and recognition of the huge investment needed to make further progress in the fight against poverty and in all its manifestations. The replenishment results also signaled a strong endorsement of IDA’s role in global aid architecture and effectiveness at country level.

The IDA16 replenishment outcome was in no small measure influenced by a number of other factors. These include (i) the addition of six new donors, mainly from the emerging markets, bringing the donor list to 51; (ii) policy innovations to mobilize increased resources through voluntary prepayment and accelerated repayments of IDA debt by countries that have graduated from IDA, as well as modification of lending terms for some IDA borrowers that have shown comparative advancement of their economies; and (iii) internal financing from the World Bank Group through transfers from IBRD and IFC net income.

The negotiation process reflected a spirited engagement among all participants, donors and borrowers, with commitment to shared responsibility and support for multilateralism in addressing the development needs of the poor. The agreed policy framework for IDA 16 mapping out the thematic focus and new policies and instruments are summarized as follows:

- IDA will further strengthen its focus on results measurement, complemented by ambitious operational and financial reforms to enhance country-level aid effectiveness.
- IDA will establish a dedicated Crisis Response Window (CRW) to help low-income countries deal with the impact of natural disasters and severe economic shocks. This includes a special allocation for Haiti as it continues to recover from the 2010 earthquake.
- IDA will help the world’s poorest countries to adapt to the negative effect of climate change on development. Also, IDA will support country efforts to promote gender equality, given its importance in meeting several of the Millennium Development Goals.
- IDA will strengthen its engagement in post-conflict states, where there are high concentrations of extreme poverty and low levels of social development, by extending on a case-by-case basis the number of years that exceptional assistance is provided to post conflict countries.
- IDA will further promote regional integration and cooperation, especially in Sub-Saharan Africa, where demand for regional projects is growing. It will also continue to support countries in ensuring debt sustainability, including by supporting countries in building capacity for debt management.

The support of Ministers of Finance and Heads of State from borrower countries through astute advocacy during the process was very helpful in advancing the case for a robust replenishment. Aware of our shared commitment to accelerating growth and reducing poverty, the Constituency Borrower Representative, Mr. Emmanuel Tumesime-Mutebile, Governor of Bank of Uganda, assisted by
Mr. Sheku Sambadeen Sesay, Governor of the Bank of Sierra Leone as Alternate Borrower Representative, conveyed the appreciation of the partnership that donors have demonstrated with this record level replenishment of IDA’s resources. Noting the commitment to ensure that half of the IDA 16 resources are allocated to Sub Sahara Africa, they assured the donors of Africa’s commitment to the agreed policy framework and to effectively utilize the resources to deliver development results.

Executive Director’s Visit to Uganda

The Executive Director, Mr. Hassan A. Taha accompanied by Mr. Sheku Bangura, Senior Advisor, visited Uganda during the period of December 8-11, 2010. The visit served two key purposes. First, to meet and discuss with the development challenges, project implementation issues and seek ways of strengthening the country’s relations with the World Bank Group. Second, hold consultations with the Constituency Borrower Representative on the strategy for advancing the interest of the Constituency member countries at the fourth and final IDA 16 negotiation meetings in Brussels, Belgium.

The Executive Director met with the Minister of Finance, and senior officials in the Ministry as well as the Governor of the Bank of Uganda. A briefing session on World Bank operations was held with the Country Manager and team of the World Bank office in Kampala followed by a field visit to a fruit processing plant and the Bujagali Hydropower Project.

As of December 2010, the World Bank portfolio in Uganda consist of 19 projects with a net commitment of US$1.62 billion, the fifth largest IDA engagement in Sub Sahara Africa. The Minister emphasized the focus and priority areas of government on predominantly infrastructure, specifically electric power, roads, water supply; and the economic sector, in particular agriculture and; social services. The sector distribution of the portfolio aligns well with the government’s agenda with emphasis on infrastructure accounting for 68 percent of commitment allocated to energy, mining, environment, urban development and transport. Other sector engagements include health, education and social development, finance and private sector and economic and public sector management.

The authorities underlined the high value and relevance of the World Bank’s contribution to the country’s development in these areas. A very cordial relationship with the World Bank Country Office was reported. The authorities however underscored the following implementation issues:

- Project conceptualization and design needs to carry more country ownership. It was noted that institutional arrangements for projects which are discussed at design phases if not thoroughly thought out, complicate project implementation (particular reference was made to the on-going infrastructure support project).
Delays, and low rate of disbursements often associated with Bank’s fiduciary, safeguard and reporting requirements were highlighted. It was noted that these were further related to capacity challenges faced by government agencies.

Discussions with the World Bank Country Manager covered selected current developments on the PRSP, CAS implementation and broad perspectives on the economy. Uganda has made commendable progress in reducing poverty. The government has maintained a high level of macroeconomic stability and economic growth that supported its resilience to the global financial crisis. Yet bottlenecks in energy and transport infrastructure need to be forcefully tackled to foster sustained and inclusive growth and boost employment.
Statement by
Honorable Pravin Gordham
Minister of Finance
South Africa

Africa’s economic resilience during this crisis, underpinned by sound macroeconomic policies, through prudent fiscal measures and institutional reforms, has demonstrated its ability to weather the worst of storms and to be the new pole of growth. Prior to the catastrophic financial crisis, Sub-Saharan Africa registered robust economic growth averaging 5-6% p.a. in the last decade. Our growth continues to contribute to global demand, if given the right support, in particular, infrastructure development, this can be dramatically scaled up, and provide high return investment opportunities.

Prior to the financial crisis, most regions, including Sub-Saharan Africa (SSA) were on track to meet the poverty Millennium Development Goal (MDG) by 2015. The gains have been reversed by the crisis. For example, the cost of the crisis amongst others is an estimated 40 million people added to the list of malnourished while some 64 million, mostly women and children, were pushed into extreme poverty.
In order to realize our growth potential, there is a need to be financing, and the importance of a strong IDA16 replenishment cannot be overemphasized. We are cognizant of the challenges faced by our partners. Nevertheless, to make progress towards our developmental agenda, the increase in the replenishment should not be less than 20% on the current envelope. We therefore urge those who have already committed to an "ambitious replenishment" of IDA 16 to make good on that promise.

We welcome the 3rd chair for Sub-Saharan Africa, effective 1 November 2010, to the Board of the World Bank.

(a) How Resilient Have Developing Countries been during the Global Crisis?

Initially, developing countries were able to withstand the shocks due to a number of underlying reasons: sound pre-crisis macro policies, including strong fiscal and external reserves positions. In addition, the relatively low level of integration of the financial markets of SSA, into the global financial system, also provided an initial buffer to withstand the crisis.

The resilience to the first round effects notwithstanding, the second round effects of the crisis have posed huge challenges, making the recovery slow and uncertain. Consequently, our reserves have been severely depleted, and will take time to replenish, thus leaving our countries vulnerable to shocks. Secondly, our fiscal positions have weakened and cannot support the huge public investments spending to build resilience. In light of this, our countries will require substantial and continued assistance to enable them sustain and deepen sound economic policies and institutional reforms. Learning from lessons that have come out of the crisis, we therefore see a need to immediately put in place strong measures, for addressing future crises and deepening our resilience to what could be a set of second round effects.

To this end, we commend the World Bank Group and the International Monetary Fund for the extraordinary measures that were put in place to help countries at the peak of the crisis. However, given the enormity of the challenges and the fact that the crisis will not be over for many of our countries for years to come, we believe that there is need to do more and that these two institutions are well placed to assist us to reduce vulnerability and strengthen our resilience. We therefore call for increased development financing and quality support, for the poor and most affected developing countries.

On our part, we remain committed to working with our partners to continue implementing policies that will promote sustained and shared growth and the attainment of the millennium development goals. To this end, we strongly believe that there is no better time than now, for the B WIs to bring to bear their capacities, knowledge and experience in partnership with us to advance our economic growth and development agenda.
(b) Delivering on Results and Improving Lives: The International Development Association (IDA)

We commend the support of IDA to our countries, in the past and particularly during the crisis. However, the failure to deliver on the promise to double ODA to Africa by 2010, as committed by the Gleneagles Declaration, as well as the frontloading of IDA15 resources for crisis response, make the case for a robust replenishment of IDA 16.

With only five years remaining before the 2015 MDGs deadline, the replenishment negotiation comes at a critical time. With the global economic and financial crisis stretching the challenges faced by IDA countries, particularly fragile states, restoring economic growth to pre-crisis levels, bridging infrastructure gaps, pursuing regional integration, investing in climate change adaptation and mitigation, and achieving the MDGs, the needs are enormous.

Even though IDA 16 is taking place against the backdrop of a difficult fiscal situation for donor countries, there has never been a greater documented need to increase IDA or a better time to support IDA than now. IDA has potential to be more effective if stepped-up now, when the pace and depth of reforms in IDA countries have shown promising potential for higher returns on ODA investment than ever before. We believe the Association is a critical vehicle in providing that support through its results-oriented technical and financial assistance. We therefore call development partners to translate the commitments renewed at the UN MDGs summit into a robust IDA 16 replenishment. We call for renewed focus on key infrastructure development, agriculture, food security and safety nets for the poorest. We also call for increased attention and support for women, children, health and education –our link to future prosperity.

(c) World Bank Group Reforms

We welcome the update on the on-going World Bank Group reforms aimed at strengthening the institution’s development effectiveness by improving its efficiency and accountability, as well as enhancing the quality of the relationship with its clients. We commend the steps taken thus far and the proposed improvements of lending instruments and operations for better service delivery, including greater decentralization of staff. However, for the decentralization to be effective we urge that staff in the field be empowered to take decisions. We hope to see a more synchronized pace of reforms across the WBG including improving the diversity of staff across all levels of management. Effective implementation of the reform agenda, will determine to a large extent, the success or otherwise, of the reforms in achieving aid and development effectiveness. We also welcome the reform of the Annual and Spring Meetings to enhance our interactions.

We note the report and on-going work on Governance and Accountability and welcome the progress made and look forward to its timely completion.
FOR IMMEDIATE RELEASE

DEVELOPMENT COMMITTEE

JOINT MINISTERIAL COMMITTEE
OF THE
BOARDS OF GOVERNORS OF THE BANK AND THE FUND
ON THE
TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES

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Washington, October 9, 2010

1. The Development Committee met today, October 9, 2010, in Washington DC.

2. Two years after the onset of the global financial crisis, actions by developed and developing countries, with strong support from multilateral financial institutions, have helped head off a catastrophic economic downturn. Economic resilience among many developing countries, reflecting sound policies in the years prior to the crisis, has underpinned the effectiveness of the global response, and is now contributing to the nascent global recovery.

3. Many developing countries have done well in maintaining growth and output and preserving core spending on health, education and infrastructure. Protecting vulnerable groups has proved a bigger challenge--especially in low-income countries--partly because of fiscal constraints and difficulties in scaling up effective social protection mechanisms.

4. Until 2008, developing countries had made significant, if uneven, progress to achieve the Millennium Development Goals (MDGs). The food, fuel and financial crises, however, have taken a heavy toll. We commit to intensify our efforts to achieve the MDGs by 2015, with a stronger focus on results.

5. We welcome the role played by the multilateral financial institutions in supporting countries’ own responses to the crises. We note the exceptionally high levels of commitments and disbursements by the World Bank Group (WBG) and the International Monetary Fund (IMF) since the onset of the financial crisis. We call on the WBG and the IMF to continue identifying policies and instruments that could best assist in preventing and responding to future crises, reduce the risks to growth and increase prospects for a sustainable recovery.
6. The International Development Association (IDA) is one of the world’s most important instruments for achieving the MDGs and improving the lives of millions of people. IDA contributes unique strengths to development policy and financing, which underlie its strong track record of delivering development results. In this context, we welcome the continued efforts to improve IDA’s results measurement. We call for a strong sixteenth IDA replenishment, with fair and broader burden sharing among all donors and the WBG.

7. We stress the importance of the revival of world trade and investment in underpinning global economic recovery and growth. Therefore, we urge members to avoid all forms of protectionist measures. Developing economies will play an increasing role in global growth and trade. We reiterate our support for the WBG’s continuous efforts in infrastructure, innovation and human capital investment. We would like to emphasize our support for further strengthening and mainstreaming of the WBG’s work on gender. We also recognize the WBG’s work in the area of climate change, including Climate Investment Funds. We encourage further collaboration with the United Nations Framework Convention on Climate Change.

8. Food security and nutrition will remain vital concerns for many developing countries. We look forward to strengthened efforts by the WBG, in coordination with other international institutions, to address issues of agricultural productivity, food security and challenges posed by agricultural commodity price volatility.

9. We encourage the continued implementation of the Post Crisis Directions framework that provides the WBG with strategic guidance to help the institution prioritize, make trade-offs and maximize its development impact. We acknowledge the work underway on results, including a corporate scorecard, on knowledge sharing and learning, and on decentralization. We expect the Board to monitor and report on all the agreed reforms to ensure their timely and effective implementation. We commend the WBG on opening access to data, tools and information. We welcome the continued efforts of the International Finance Corporation to contribute to stronger private sector development, including in IDA countries, and its efforts to mobilize additional resources, such as through the Asset Management Company.

10. We welcome the third Sub-Saharan Africa Chair at the WBG. We stress the importance of timely implementation of the remaining proposals on voice reform and on strengthening the WBG’s financial capacity that we endorsed last spring.

11. We note the progress made on the governance and accountability of the WBG, and look forward to proposals from the Board, including work underway on presidential selection and dual performance, at our next meeting. We reiterate the importance of an open, merit-based and transparent process for the selection of the President of the WBG. We also reiterate the importance of promoting staff diversity to reflect better the global nature of the WBG.

12. The Committee’s next meeting is scheduled for April 17, 2011 in Washington, DC.
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<tr>
<th>Country</th>
<th>Approval Date</th>
<th>Project Title</th>
<th>Source of Funding</th>
<th>Amount (US$ Million/Equivalent)</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>December 14, 2010</td>
<td>Burundi—Fourth Economic Reform Support Grant</td>
<td>IDA Credit</td>
<td>US$ 25 Million</td>
<td>To consolidate many of the reforms that began in the last series (ERSG II and ERSG III) with a focus on improving budget credibility, planning and controls, and strengthening the business environment and performance of the traditional export crop sectors.</td>
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<tr>
<td>Kenya</td>
<td>December 14, 2010</td>
<td>Kenya Total War Against HIV and AIDS Project</td>
<td>IDA Credit</td>
<td>US$55 Million (Additional Financing)</td>
<td>To expand access to bed nets among targeted People Living with HIV and AIDS and other households in malaria risk areas.</td>
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<tr>
<td>Liberia</td>
<td>November 30, 2010</td>
<td>Liberia—Electricity System Enhancement Project</td>
<td>IDA Credit</td>
<td>US$ 10 Million</td>
<td>To improve and increase access to electricity in Liberia.</td>
</tr>
<tr>
<td>Liberia</td>
<td>December 20, 2010</td>
<td>Liberia—Proposed Guarantees to Vattenfall AB and its Subsidiaries for their Equity Investment and Shareholder Loan to Buchanan renewable Fuel, Inc.</td>
<td>MIGA Guarantee</td>
<td>US$ 144.2 Million and US$ 94.2 Million</td>
<td>To provide insurance coverage for Vattenfall and its subsidiaries investing in Liberia, against the risks of expropriation, war and civil disturbance. It is basically aimed at facilitating needed foreign direct investment with the objective to expand and develop the biomass business involving the cultivation, collection, and processing of non-productive rubber trees destined primarily for export.</td>
</tr>
<tr>
<td>Country</td>
<td>Approval Date</td>
<td>Project Title</td>
<td>Source of Funding</td>
<td>Amount (US$ Million/ Equivalent)</td>
<td>Project Development Objective</td>
</tr>
<tr>
<td>---------------</td>
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</tr>
<tr>
<td>Mozambique</td>
<td>December 16, 2010</td>
<td>Mozambique – Seventh Poverty Reduction Support Credit</td>
<td>IDA Credit</td>
<td>US$ 85 million</td>
<td>To strengthen economic governance systems and growth agenda to accelerate private sector development in order to achieve broad-based growth for poverty reduction.</td>
</tr>
<tr>
<td>Seychelles</td>
<td>November 23, 2010</td>
<td>Second Development Policy Loan</td>
<td>IBRD</td>
<td>Amount €6.6 million (US$9.0 million equivalent)</td>
<td>IBRD Loan, fixed spread loan in euro, with 25.5 years maturity and a 10 years grace period.</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>December 20, 2010</td>
<td>Fourth Governance Reform and Growth Credit</td>
<td>IDA Credit</td>
<td>US$ 10 Million</td>
<td>To support the financing of the government program that seeks to maintain and deepen growth and structural reforms in the transition from post-conflict recovery by: (a) improving the allocation and efficiency of public spending to support poverty reduction; (b) strengthening domestic resource mobilization and management; and (c) increasing provision of electricity.</td>
</tr>
<tr>
<td>Zambia</td>
<td>December 9, 2010</td>
<td>Zambia – Malaria Booster Project</td>
<td>IDA Credit</td>
<td>US$ 30 Million</td>
<td>To increase coverage of intervention for malaria prevention and treatment and other key maternal and child survival interventions (additional funding).</td>
</tr>
</tbody>
</table>
If two wise men always agree, then there is no need for one of them.

~ Zambian Proverb