



AFRICA GROUP I CONSTITUENCY

A Newsletter from the Office of the Executive Director

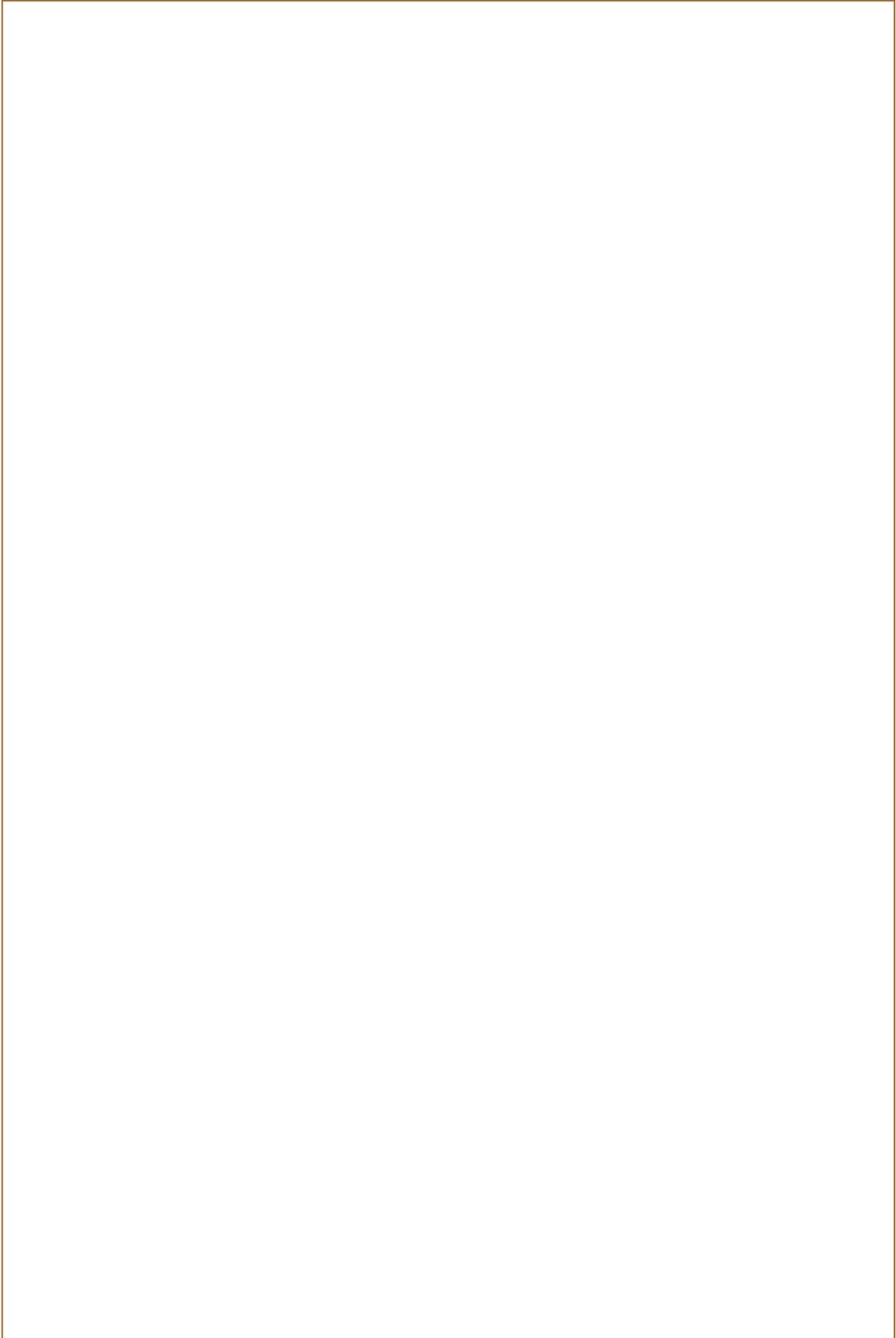


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Toga Gayewea McIntosh
Executive Director



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

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The Office of the Executive Director for Africa Group I Constituency acts as the resident representative for its member countries. The office protects the individual and collective interests of its member countries in World Bank Group affairs. The Office has a chair on the Board of the World Bank Group (IBRD/IDA, IFC and MIGA). It is one of the twenty-four chairs on the Board.

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. 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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Message from the Executive Director



Mr. Toga Gayewea McIntosh
Executive Director

Africa's economies are today, facing severe challenges as the global economic crisis, coming so close at the heels of the food and fuel price crisis, unleashes additional strains and uncertainties for the future. The robust economic growth and macroeconomic stability recorded by countries over the past decade are now at risk of being wiped away. As developed economies strive to meet internal demands, there is growing risk that the needs of the poorest and least developed will take the back seat. Sources of development financing to Africa, are becoming more and more uncertain, and gradually drying up. Thus, the Millennium Development Goals target date of 2015 which already, will most likely not be achieved by sub-Saharan Africa, is now more of a mirage, as the poorest people are pushed further into poverty by the global economic crisis.

Numerous consultations are taking place on how best to support countries in handling the current situation. The big question however, remains - is enough being done to support the poorest and most vulnerable, Africa, in the face of the enormous challenges it faces - dwindling revenue from mineral and natural resources, commodities, industries, tourism, remittances, foreign investment, etc.

For the World Bank Group (WBG), the

challenge at this juncture remains - how best it can support and address the growing needs of its diverse clients in equitable manner, at this critical point in time. The WBG has come up with some new instruments and made efforts to introduce more flexibility into its existing financing instruments, to assist its client countries cushion the effects of the global financial crisis. In this edition, we highlight some of these instruments and initiatives. The message is clear: there is a strong need for deeper and more lasting solutions. Secondly, the international community and especially developed partner countries must not leave the poorest behind as rescue plans are being put in place for the strongest and bigger economies.

No doubt, discussions at the IMF/WB 2009 Spring Meetings will focus on the effects of the global financial crisis as well as measures on how to best to mitigate the negative impact on economies world wide. What the discussions holds for Africa, one of the most vulnerable of the Bank's client regions, remains to be seen. As the situation unfolds, the key lesson for Africa is that, this is a wake up call... to diversify economies, vigorously pursue internal revenue generating capacities and sources, pursue strong and prudent macro economic policies, put in place vital infrastructure, insti-

tutions and focus on resuscitating industries and the value chain that would help lay the foundations for stronger economies and sustained development. Most importantly, regional cooperation continues to be an important aspect for the continent.

In the light of the foregoing and the on-going reforms on Voice and Participation, in the World Bank Group, my team began consultations with Governors and country representatives on how best we can pursue further, the interests of member countries, in the World Bank Group. In this regard, visits were made to The Gambia, Nigeria, Sierra Leone, South Africa, Botswana, Lesotho and Swaziland during the past quarter. A common message coming out of the consultations, was the need for increased financial and technical support from the Bank and development partners, to among others, focus on agricultural sector, infrastructure, health and social services, private sector support and investments, etc. I also took the opportunity of the occasion to visit some of the World Bank assisted projects, where we interacted with beneficiaries of the projects. The Bank field and country offices were not left out, with working sessions held with field staff. Highlights of the key messages and expectations are provided in this issue.

As part of its annual group travel to member countries, a delegation of World Bank Executive Directors visited the West African countries of Liberia, Benin and Togo, during the month of March, 2009. The visit to Liberia took place from March 13 – 17, 2009. Highlights of the Liberian experience is also included in this issue.

A number of projects were approved for our member countries during the first quarter of 2009. As usual, highlights of these are also featured.



FEATURE STORY: World Bank Group Response to the Financial Crisis

The following paragraphs provide a synopsis of initiatives that have been put in place by the IDA/IBRD and the IFC in response to the economic crisis.

The Situation:

The current global economic crisis is severely hitting developing countries. The degree to which the global crisis has spread across all countries is very disturbing. In particular, the low-income countries (LICs) that were initially shielded from the direct impact of the sudden squeeze in private capital flows, are now feeling the full impact, as the crisis spread to other channels. This is in addition to the fact that many LICs are still trying to find out a workable solution to the food crisis. There is a growing fear that the impact of the financial crisis combined with the earlier food and energy crises could set back the global fight against poverty, and jeopardize the progress made towards achievement of the MDGs.

Just four months ago, the World Bank forecasted growth for Africa for 2009 at 6.8 percent, and recently, it narrowed the forecast to 3.5% with a dim prospect of a 2.5% growth for next year. This means a zero growth in average incomes for some of the poorest people in the world. Accordingly, there is a clear need for counter-cyclical spending in developing countries.

Response Agenda:

In this context, the World Bank Group (WBG)

has made strategic moves in terms of stepping up its financial assistance to help its member countries mitigate the impact of the crisis. The Bank Group is leveraging its own resources with the financial support from a number of public and private sources using a menu of options to match the needs of developing countries with the interests and capacities of donors. The Group is also mobilizing a wide range of technical assistance, capacity building and support services in an attempt to minimize the impact of the financial crisis on its member countries. Accordingly, each of the WBG entities, i.e., IBRD, IDA, IFC, and MIGA have come up with new initiatives and facilities - some of which have already been endorsed by the respective Executive Boards during the last 3 months (i.e. January to March 2009).

These initiatives focus on three thematic areas: (i) protect the most vulnerable against the fallout of the crisis; (ii) maintain long-term infrastructure investment programs; and (iii) sustain the potential for private sector-led economic growth and employment creation, particularly through SMEs and microfinance. The thematic areas are being addressed through three operational platforms – the *Vulnerability Financing Facility (VFF)*, the *Infrastructure Recovery and Assets (INFRA) platform*, and the *IFC-led private sector platform*, respectively. MIGA also is responding to the crisis through its operational activities. This approach draws on lessons learned in dealing with past crises. The three priority themes are inter-related and span the core development mandate of the WBG. They

complement an over-arching focus on macro-economic stability at the core of the crisis response.

IDRD/IDA Facilities/IDA Facilities

A. *The Vulnerability Financing Facility (VFF):*

This is a dedicated facility to streamline crisis support to the poor and vulnerable. The VFF organizes under one umbrella the existing *Global Food Crisis Response Program (GFRP)* and the new *Rapid Social Response (RSR)* Program focused on social interventions. The VFF programs address two specific areas of vulnerability to crisis: (i) agriculture, the main livelihood of over 75 percent of the world's poor, and (ii) employment, safety nets and protection of basic social services to help the poor and vulnerable groups cope with crisis. The two VFF programs (GFRP and RSR) will provide technical and financial assistance to support governments in their immediate and near-term responses to the crisis.

The VFF builds upon the successes of safety net programs in protecting the assets and livelihoods of vulnerable households, including subsistence farmers and the urban poor, during crises.

i. ***The Global Food Crisis Response Program (GFRP)*** has facilitated a rapid and flexible Bank response to the global food crisis in partnership with other multilateral organizations and donor agencies. The objectives of the program are three-fold: (i) reduce the negative impact of high and volatile food prices on the lives of the poor; (ii) support governments in the design of sustainable policies that mitigate the adverse impacts of volatile food prices; and (iii) support broad-based growth in productivity and market

participation in agriculture. This Fast-Track disbursement crisis facility, the GFRP has been very successful in assisting countries respond to the food crisis. The GFRP going forward will focus primarily on supporting poor farmers with production strategies that make them more productive and less vulnerable, including to the current economic crisis.

ii. ***The Rapid Social Response Program (RSR)*** is designed to assist countries address urgent social needs stemming from the crisis, and to build up capacity and institutions reform to respond better to future crises. Under the RSR, all Bank borrower countries are eligible to use IDA/IBRD resources, as appropriate, to provide crisis support to the poor and vulnerable populations. The RSR will finance immediate interventions in the areas of: (i) access to basic social services emphasizing services for maternal/infant health and nutrition, and school feeding programs; (ii) scaling up targeted safety net programs, where adequate mechanisms exist, and building future capacity otherwise; and (iii) active and passive labor market policies to assist in the income support of the unemployed, training, placement and similar employment initiatives. South-South learning and capacity building initiatives will be encouraged as an integral part of countries' long-term social protection systems. The RSR will support projects that are part of budgeted, nationally agreed social protection and social services strategies where these are in place.

B. ***Infrastructure Recovery and Assets Platform (INFRA)***. This initiative, which is the second thematic area of the Bank Group's crisis response, supports counter-cyclical spending on infrastructure. It is intended to provide the foundation for rapid recovery and job creation

and to promote long term growth. As such, the program aims to help countries:

- **Stabilize existing infrastructure assets**, by restructuring and providing funding to those infrastructure projects with private, public or mixed participation which are facing temporary financing problems;
- **Ensure delivery of projects that remain government priorities** by monitoring country focus on infrastructure, through analytical work; and by building government capacity to plan for infrastructure expenditures;
- **Support Public Private Partnerships (PPPs) in infrastructure**, by bridging the current gap in available financing for private or PPP infrastructure projects in emerging markets; and
- **Support new infrastructure project** development and implementation, for example under Africa's regional integration agenda, which includes many projects with potential for high economic returns.

An important component of INFRA is the *Energy for the Poor Initiative* which aims to expand energy access, help the poor adjust to energy shocks, and reduce their vulnerability to volatile energy prices. The INFRA initiative will advance the "green agenda" by leveraging financing such as the Carbon Partnership Facility, Clean Technology Fund, and others.

C. *IFC Facilities* Supporting the private sector is the third thematic area of the Bank Group's crisis response. Staying engaged with the private sector in the developing world, notably the SME and micro-enterprise sectors which account for

most private sector jobs, is critical both to the global recovery and to protecting the long-term growth potential vital to billions of the world's citizens.

IFC initiatives cover three broad areas: (i) providing liquidity support, (ii) rebuilding financial infrastructure and (iii) managing troubled assets. IFC liquidity support aims to: (i) ease financing and liquidity constraints on trade; (ii) ensure the availability of credit for micro, small, and medium enterprises, (iii) support viable infrastructure projects; and (iv) help agribusinesses address liquidity and capital challenges.

Specific initiatives include: (i) the expansion of the Global Trade Finance Program (GTFP) from \$1 billion to \$3 billion; (ii) the creation of a Global Trade Liquidity Pool (GTLP) with \$1 billion from IFC and \$2-4 billion from development institutions to co-fund a trade liquidity pool on a risk sharing basis with commercial banks; (iii) the launch of an Infrastructure Crisis Facility, including \$300 million from IFC, representing the private sector side of the INFRA platform; and (iv) the creation of a Microfinance Enhancement Facility in partnership with German development bank, KfW. IFC is also working to address the constraints in the global food-supply chain.

The IFC is adopting a multi-faceted approach to **rebuilding financial infrastructure** involving investment in the banking sector, advisory services and policy guidance. The IFC Recapitalization Fund, in which IFC has invested \$1 billion and Japan \$2 billion, aims to provide additional capital for banks in developing countries to ensure they can support economic recovery and job creation. IFC is also refocusing existing advi-

sory services programs on helping clients in dealing with the crisis. Finally, IFC is working to create a private sector **troubled assets management** program to encourage transparent auctions to help governments and banks transfer their non-performing loans to the private sector for processing and to foster sustainable and prudent work-out practices.

Initiatives at MIGA

MIGA is responding to the crisis through its operational activities. It has extended guarantees covering shareholder loans from European banks to recapitalize their subsidiaries in Ukraine and the Russian Federation, and is supporting reinsurance in Eastern Europe. As part of the Joint IFI Action Plan to support the bank-

ing sector in East Europe, MIGA will provide political risk insurance capacity of up to €2 billion for bank lending, subject to Board approval. The Board has approved an initiative that focuses on support to SMEs in sub-Saharan Africa. Further details are expected in the next newsletter.

In light of the recent developments taking place in what appears to be a rapidly changing business environment, our office is keenly following the situation as it impacts our Constituency.

Source: World Bank Briefing Paper on World Bank Response to the Financial Crisis



Voice and Participation - Update on Implementation

Following the package of Voice reforms agreed to by the Developing Committee in the fall of 2008, efforts have been exerted on its implementation in the following areas.

a. **On IBRD Voting Power and Shareholding** - Board of Governors adopted on January 30, 2009, Resolution No.596 containing three proposals - (i) increasing basic votes to 5.55% of total votes (an effective doubling of basic votes) (ii) allocating 7,117 authorized but unallocated shares to sixteen developing countries whose voting power would be reduced by the proposed increase in basic votes; and (iii) adding an additional chair for Sub Saharan Africa on the Board of the IBRD, IDA, IFC and MIGA.

b. **On the additional elected ED for SSA** - Sub Saharan Africa constituencies have already commenced consultations on how to reconfigure member countries. Expectations are that this decision would take effect latest by the 2010 Annual meetings.

c. **On increasing IDA Part II voting power** - Part

II countries are yet to take up and pay for their allocated IDA subscriptions. As of end February, the group holds 41.8% of actual voting power against 48.3% expected if all IDA members take up their allocated subscriptions. However, a recent positive and welcome development is that, development partners from Nordic countries have committed on a voluntary basis, to contributing one third of the total amount of US\$7.8 million required to cover subscriptions not yet taken up by the Part II IDA-only countries.

d. **IBRD shareholding review and IFC voice reform** - As agreed, these are to be expected to be taken up in the next phase of discussions on voice and participation which will stretch into Spring and Annual Meetings of 2010.

e. **Other Institutional Reforms** - The Voice reform package also includes several areas of institutional reforms where progress is ongoing. These include internal governance, work force diversity, decentralization of the World Bank Group operations, open selection of the President.



Executive Director Visits Constituency Countries in West and Southern Africa



Beneficiaries at the Airport Business Park, Gambia (GIPZA)



Beneficiaries at Airport Business Park, Gambia (GIPZA)



Mr. McIntosh with beneficiaries at Brikamza Craft Market (a CDD Project), Gambia

The Executive Director (ED), Mr. Toga McIntosh, visited some West and Southern African constituency countries, in January and February, 2009. The West African countries included The Gambia, Nigeria and Sierra Leone, while those in Southern Africa comprised Botswana, Lesotho, South Africa and Swaziland. The purpose of the visit was to consult with the authorities on: (i) the countries' priorities and how best to advance the interests of the countries at the WBG; and (ii) how to move ahead with the implementation of the recently approved third chair for Sub – Saharan Africa. The Executive Director, who was accompanied by his Advisors, also used the occasion to visit some of the World Bank assisted projects as well as the World Bank offices in the countries. Following are the highlights of the visit, the details of which can be obtained from the Office of the Executive Director.

THE GAMBIA : January 11 - 13, 2009

In the Gambia, the Executive Director met with the Honourable Secretary of State for Finance and Eco-

nomics Affairs, H.E. Mousa Bala Gaye and other top Government officials within and outside the Ministry of Finance. He also visited some sites of Bank assisted projects as well as the World Bank liaison office. He rounded off the visit with a courtesy call on Her Excellency Vice President of the Gambia, Dr. Isatou Njie-Saidy.

Key messages:

The Gambian authorities expressed appreciation for the visit and the continued support of the World Bank Group and Office of the ED. They highlighted that these were challenging times which called for further broadening of the relationships and urged that avenues should be explored on how to increase IDA resources and support to the Gambia. In particular, the authorities called for increased interventions to cushion the effects of food, fuel and financial crisis. They also solicited for increased Bank support and attention to the productive sectors, industrial agriculture, energy, job creation, etc. as well as for IFC support to the private sector, as means of mobilizing other financing.



Beneficiaries at FADAMA II Project site (a CDD project), Nigeria



Mr. McIntosh at dinner with Honorable Dr. Mansur Muhtar, Minister of Finance, Nigeria



Mr. McIntosh presenting treated mosquito bed nets to families at a primary Health Care Center supported by the Health Systems Development Project, Nigeria

While concern was expressed about the dwindling number of Bank supported projects in the country, it was gratifying to note that the projects visited were fully completed and operational. The positive impacts of the projects were quite visible and held many lessons to be learned by others. These include: (i) the Gambia Bureau of Statistics which houses the Integrated Financial Management System (IFMIS) – both the building and the IFMIS were developed through the support of WB assisted Capacity Building for Economic Management Project; (ii) the Airport Business Park, which was established through the WB's Gateway Project; (iii) Brikamza Craft Market and (iv) the Gambia College.

NIGERIA : January 13 - 17, 2009

In Nigeria, the Executive Director met with the Honourable Minister of Finance, Dr. Mansur Muhtar, the Permanent Secretary, Mr. Steve Oransanye and other senior government officials within and outside the Ministry of Finance. The meetings were interspersed with visits to sites of some World Bank assisted projects and the World Bank Country Office. The visit also covered a courtesy visit to the Minister of the Federal Capital Territory.

Key Messages:

The authorities expressed appreciation to the Executive Director for reaching out and seeking closer collaboration with constituency member countries. They indicated that Nigeria was currently at a critical juncture. A National Steering Committee on Food had been set up following the recent food crisis situation. There was similarly, a renewed sense of urgency on sustaining the reform agenda and also how to buffer against the financial crisis. Nigeria will therefore need the continued support of the World Bank and development partners – through stronger and closer engagement. The authorities observed that the development of private sector was key to economic development and therefore requested for more intervention of IFC in private sector industries, including critical infrastructure, agriculture, SMEs etc. alongside the on-going interventions in the commercial sector, and in line with the country's development agenda.

A look at the country portfolio shows Nigeria has a robust portfolio with the WB. The agriculture sector and community development interventions have been particularly successful. Project site visits to: (i) National Bureau of



Left to right: H.E. Ernest Bai Koroma, President of Sierra Leone; Dr. Samura Kamara, Governor, Bank of Sierra Leone; Mr. Sheku Bangura, Advisor to the Executive Director, World Bank; Mr. Toga McIntosh, Executive Director, World Bank; Mr. David Carew, Minister of Finance; Sheku S. Sesay, Financial Secretary, Ministry of Finance



Mr. Toga McIntosh consults with Mr. David Carew, Minister of Finance, and Haja Afsatu Kabba, Minister of Energy and Water Resources, on the World Bank support to the power sector in Sierra Leone.

Statistics; (ii) Fadama – community project; and (iii) Health Systems Development Project – Primary Health Care Centre provided good and encouraging insights to the positive impacts of the projects on the beneficiary institutions and communities.

SIERRA LEONE: January 17 - 19, 2009

The Executive Director met with Ministers, Permanent Secretaries and Directors implementing World Bank supported projects. The ED also had a courtesy audience with H.E. the President, Dr. Ernest Bai Koroma on the object and key observations of the mission. A briefing session on World Bank operations was held with Mr. Englebert Gudmundsson, Country Manager of the World Bank office in Freetown as well.

Key Messages

The authorities underlined the high value and relevance of the World Bank's contribution to Sierra Leone's development and appreciated the consultative approach promoted by the Executive Director.

They noted that Sierra Leone presents the full extent of development challenges that are being compli-

cated by the fuel, food and financial crises. With uncertainty about the scale and duration of the global recession and attendant implications for stabilization, growth and poverty in the country, they expressed a strong feeling that the World Bank needs to show more readiness to help the government implement its national vision and address the development agenda. The focus and priority areas emphasized by H.E. President Koroma are first and foremost infrastructure, specifically electric power, roads, water supply; followed by the need to stimulate the economic sector, in particular agriculture. The social services sector was considered equally important. The ED was urged to carry along the message of call for more urgent, concrete and deeper support from the Bank.

Concerns were raised on the decline in IDA allocations to Sierra Leone. Several project implementation challenges were listed among the factors undermining the country's allocation and CPIA rating. Delays, additional costs and unpredictability of disbursement during project implementation often associated with Bank's fiduciary, safeguard and reporting requirements were highlighted.

Given the capacity challenges, it was noted that more Bank support on project/program supervision and implementation would help greatly in improving the country's CPIA rating.

The authorities noted that the new World Bank Group Country Assistance Strategy for FY10-13 presents a unique opportunity for an intense, open and participative dialogue with the government and all development stakeholders on the national vision and possible role and contribution of the World Bank, especially in the current global circumstance.

***LESOTHO, SOUTH AFRICA AND SWAZILAND
February 8 - 13, 2009***

The ED's visit to the three countries took place between February 8 and 13, 2009. In Lesotho the ED met with Minister Thahane and his team. In South Africa he met with the Deputy Minister, Director General and other Senior Members in the National Treasury. Finally in Swaziland, a discussion was held with the Minister of Finance and the Permanent Secretary in the Ministry of Finance. A briefing session on World Bank operations in these countries was also held with the Country Director of the World Bank office and her staff in Pretoria.

Lesotho: The consultations in Lesotho focused on exploring ways in which the Constituency Office can effectively engage with the World Bank Group to pursue the interests of Africa Group I Constituency and further discussed specific needs for Lesotho and how cooperation can be enhanced through the various World Bank Group Institutions and financing facilities.

The Executive Director also consulted with the Governor on the critical issue of operationalising

the decision of the World Bank Group to create a third Chair in the Executive Board of the World Bank. This is a major step to strengthen the voice and representation of Africa in policy making and decision making in the World Bank. The Governor and the Executive Director exchanged views on the possible options and modalities of engagement with Africa Group II Constituency and other stakeholders.

A meeting was also held with representatives from the Departments of Natural Resources, Energy and Finance where challenges in the water, the energy and mining sectors were discussed.

Swaziland: In discussing various Constituency related matters, the ED also used the opportunity, in discussing with the Minister of Finance and the Permanent Secretary in the Ministry of Finance, to seek guidance on the reconfiguration of the third chair for Sub Saharan Africa.

The meeting noted, among others, the following important issues:

- Swaziland's appetite to reengage with the Bank after almost 20 years.
- HIV and AIDS challenges facing the country and the need to scale up capacity building interventions needed in Swaziland
- The need for IFC to fully engage Swaziland in further development of the private sector

South Africa: The ED of the Bank and the IMF visited South Africa at the time when the Minister of Finance was presenting his Budget Speech to parliament and an invitation was thus extended to the EDs to attend the presentation. The

formal engagements were held with the Deputy Minister of Finance, the Director General and other senior members in the national Treasury.

World Bank Country Office: The ED had the opportunity to meet with all the World Bank staff in the Country Office in Pretoria. The meeting addressed, among other issues, ways in which the relationship between the World Bank Group and Swaziland/Lesotho/South Africa/Botswana can be strengthened. The discussion also centred on the future role of the Bank in the development agenda of Swaziland/Lesotho/South Africa/Botswana.

One of the most important issues highlighted was formal engagements were held with the Deputy Minister of Finance, the Director General and other senior members in the National Treasury.

The discussion held was also on the Third Chair for SSA and the possible reconfiguration thereof including briefly highlighting on developments in the energy sector and discussions underway with the Bank regarding possible support.

World Bank Country Office: The ED had the opportunity to meet with all the World Bank staff in the country Office in Pretoria. The meeting addressed, among other issues, ways in which the relationship between the World Bank Group and Swaziland/Lesotho/South Africa/Botswana can be strengthened. The discussion cantered on the future role of the Bank in the development agenda of Swaziland/Lesotho/South Africa/Botswana.

On of the most important issues highlighted was the need for close collaboration between the WB Office in Pretoria and the IFC in Johannesburg.

BOTSWANA – February 13 – 17, 2009

The Executive Director met with the Ministers of Finance, Works and Transport, Mines, Energy and Water Resources, the Governor of the Bank of Botswana, and representatives of the private sector.

Key Messages

The Botswana authorities expressed their appreciation to the ED for the visit to Botswana and said that the visit came at an opportune time as the Government began to re-engage the Bank after thirty years of no borrowing from the Bank. The authorities however felt that the greatest obstacle to fully re-engage the Bank is the lack of tailor-made programs for middle income countries. The Government had discussions with the Bank on this issue, but not much progress has been made. Nevertheless, the Government has now engaged the Bank in three main areas: HIV/AIDS, energy, and infrastructure. In addition, the Government has engaged IFC to provide advice on the privatization of some of the state owned enterprises.

The authorities also expressed a wish for greater cooperation between the Bank and Botswana in general training and skills transfer. In this regard, the central bank would have benefitted more from training provided by the World Bank Institute, but Botswana has a problem with the fee participants have to pay. Consequently, Botswana tends to attend IMF training courses more because they are offered at no cost to the authorities.

World Bank Group Executive Directors Visit to Liberia, West Africa



Mrs. Ellen Johnson-Sirleaf, President of Liberia

As part of its annual group travel to member countries, a delegation of World Bank Executive Directors visited Liberia, Benin and Togo during the month of March, 2009. The visit to Liberia took place from March 13 - 17, 2009. The major objective of Executive Directors' Group Travel to countries outside their constituencies is to enhance and broaden their appreciation of economic and social development challenges in a particular member country with a view of enhancing the role of the Board and informing its decisions on country portfolios and other related issues.

The visit to Liberia therefore gave the Executive Directors a unique opportunity to witness first hand and better appreciate the challenges of post-war reconstruction in Liberia as well as the important role of the Bank in fragile and post-conflict states. The visit also enabled the EDs observe Bank-supported operations and its assistance strategy in the country.

During the visit, the EDs had very useful discussions with the President of Liberia, Mrs. Ellen Johnson-Sirleaf, key Ministers and other top government officials. They also met with representatives of the business community, development partners/agencies as well as Bank and IFC staff in the field. The EDs took the opportunity to meet with the UNMIL Force Commander

in Liberia. The visit included a number of field trips to project sites such as: Port of Monrovia; Access Bank - an IFC supported microfinance bank; a primary school and bridge under the LACE project; Port of Buchanan; and Public Financial Management training school among others. The EDs were also able to meet and interact with some beneficiaries of Bank and IFC projects in the country.

Key messages coming out of the visit and meetings is that Liberia, is trying to consolidate peace. The authorities are therefore seeking support in addressing the critical area of infrastructure – with emphasis on roads and power. Roads will enhance mobility and encourage people to go back to farms. Agriculture, health, education water and sanitation sectors are all in need of massive support. It is evident that the needs are huge. However, the country is unable to access a lot of the facilities open to others, without reaching HIPC completion point. The case of Liberia brings to the fore, the need for the Bank Group to further enhance its support to post-conflict countries and situations – in a more robust and timely manner, that will engender sustained peace.

The visit to Liberia therefore gave the Executive Directors a unique opportunity

Executive Directors' Visits Continued...

to witness first hand and better appreciate the challenges of post-war reconstruction in Liberia as well as the important role of the Bank in fragile and post-conflict states. The visit also enabled the

EDs observe Bank-supported operations and its assistance strategy in the country.



EDs with spokeswoman for the beneficiaries of the WB supported bridge under LACE



The EDs at the Port of Monrovia



EDs on old bridge being replaced by a new one under LACE project.



EDs at the National Port Authority in Buchanan



With pupils at King's Farm School, a rural CDD project

Mr. McIntosh welcomes the
2009 Voice Secondment
Program Participants



Welcoming Participants of the 2009 Voice Secondment Program

During the week of February 9, 2009, the ED's office played host to, and welcomed participants from our constituency countries, to the program and to Washington, DC.

The Voice Secondment Program (VSP) was initiated in 2004, in direct response to a request by Executive Directors of Developing and Transition Countries (DTCs) to help build the much needed capacity in DTCs and facilitate closer relationship and timely communication between the Bank, particularly the offices of the Executive Directors representing DTCs, and their constituencies. It also helps to increase the knowledge of DTC officials on Bank procedures, products and operations and provide opportunity for knowledge sharing between the Bank and DTCs officials.

Thirteen VSP participants from Burundi, Ethiopia, Gambia, Kenya, Liberia, Malawi, Nigeria, South Africa, Sudan, Sierra Leone, Tanzania, Uganda, and Zambia are currently participating in the program from our constituency and were received for a one week familiarization visit in the Africa Group I office.

The Executive Director, Mr. Toga McIntosh, welcomed the participants and invited them to take advantage of the one week at the ED's office to get acquainted with the office work, and to benefit from the experience of Advisors working on their countries' programs. He mentioned that the program is a capacity enhancement initiative, and underscored the importance of improving communications with the capitals on Bank matters, as a key objective.

Through February 13, the participants were extensively engaged in discussions, presentations, technical briefings, and were mentored by the ED's Senior Advisors and Advisors. Currently, the participants are working in their various host units, and some of them are already travelling on official Bank missions.

The selection process for the next set of VSP participants for FY10 has begun; an update will be provided in subsequent editions of the newsletter.

Approved Board Projects January — March 2009

IDA / IBRD



NIGERIA

Commercial Agriculture Development Project (CADP)

Approval Date: January 15, 2009
IDA Credit: US\$150 million

Project Development Objective

The Project aims to strengthen agricultural production systems and facilitate access to market for targeted value chains among small and medium scale commercial farmers in the five participating states. These value chains are: oil palm, cocoa, fruit trees, poultry, aquaculture and dairy, with maize and rice as staples.

The project has two components: (i) Agricultural Production and Commercialization and (ii) Rural Infrastructure. The first component will provide resources to facilitate the adoption of appropriate and existing agriculture technologies and also support staple crop production systems to complement the country's food security initiatives and develop domestic and export markets. The second component will provide resources for the construction, rehabilitation and maintenance of a network of selected farm access roads using Output and Performance Based Road Contract (OPRC) and connect commercial farms to electricity.



MOZAMBIQUE

Competitive and Private Sector Development Project

Approval Date: February 12, 2009
IDA Credit: US\$25 million

Project Development Objective

The project aims to improve the business environment and enhance enterprise competitiveness in Mozambique by: (a) reducing the cost of doing business in the country; (b) building technical capacity in public sector agencies; (c) strengthening the ability of local intermediaries to deliver business services to SMEs; and (d) developing region specific interventions in the tourism and horticulture sectors. The project would contribute to the global goal of reducing poverty through placing the private sector as the main engine of growth and employment.

The project consists of two main components (a) improving enterprise competitiveness and (b) promoting the business enabling environment, and a third component for project implementation (Project Management, Monitoring, and Evaluation).

KENYA, TANZANIA, UGANDA AND THE EAST AFRICAN COMMUNITY



UGANDA

Lake Victoria Environmental Management Project II

Approval Date: March 3, 2009

IDA Credit: US\$90 million (Kenya-US\$30m; Tanzania-US\$32.5m; Uganda US\$27.5m)

Project Development Objective

The project aims to: (i) improve the collaborative management of the trans-boundary natural resources of the LVB for the shared benefits of the Partner States; and (ii) reduce environmental stress in targeted pollution hotspots and selected degraded sub-catchments to improve the livelihoods of communities, who depend on the natural resources of LVB. Key performance indicators are: (i) percentage reduction in untreated effluent disposed by targeted municipals and industries into Lake Victoria; (ii) percent reduction in harvesting pressure on the Nile perch in Lake Victoria; (iii) percentage increase in land productivity for households selected to participate in watershed management activities; and (iv) percentage reduction in water hyacinth infestation in Lake Victoria.

The project comprises four main components: (i) Strengthening institutional capacity for managing shared water and fishery resources; (ii) Point sources pollution control and prevention; (iii) Watershed management; and (iv) Project coordination and management.

Post Primary Education and Training APL Project – Phase I

Approval Date: March 31, 2009

IDA Credit: US\$150 million

Project Development Objectives

The proposed credit constitutes the first phase of a three-phase APL not exceeding the aggregate amount of US\$375 million equivalent over the next ten years. The project development objectives of the first phase are to increase access to lower secondary education; to improve the quality of lower secondary education; and to enhance the enabling environment for post primary education and training. Specifically, these objectives will be achieved by: a) supporting expansion of schools infrastructure, including the construction of classrooms, libraries, teacher housing, multi-purpose science rooms and related water and sanitation facilities; b) expanding the capacity of at least one National Teachers' College; supporting the provision of in-service training for teachers, head teachers and schools' boards of governors to improve school management, accountability and pedagogical leadership; improving lower secondary schools curriculum, examinations and assessment; and supporting the acquisition of textbooks and science equipment; and c) developing an advocacy and communications strategy; supporting training to targeted MoES staff to strengthen management and operations, financial management and audit, and national assessment and examination; carrying out studies; and developing a strategy for the expansion of technical vocational and upper secondary education.



KENYA

Cash Transfer for Orphans and Vulnerable Children Project (CT-OVC)

Approval Date: March 31, 2009

IDA Credit: US\$50 million

Project Development Objectives

The key objective of the loan is to increase social safety net access for extremely poor OVC households, through an effective and efficient expansion of the CT-OVC program. Specifically, the project aims to help the Government support roughly 50 percent of the country's 600,000 OVC, who are extremely poor and vulnerable, and disadvantaged in access to basic services. It

aims to strengthen households' capacities to foster and retain OVC, and to promote their human capital development, through regular cash transfer payments. The outcome of the project would be more of these OVC in school and receiving basic health care, as well as improved incomes. The capacity of the Government to plan for social protection policies and programs would also be enhanced.

Source: World Bank Database



INTERNATIONAL FINANCE CORPORATION (IFC)



BURUNDI

Investment in Diamond Trust Bank S.A.

Approval date: March 31, 2009
IFC Investment: US\$ 0.82 million

Project Description

The project aims to provide Diamond Trust Bank Burundi a greenfield subsidiary of Diamond Trust Bank Kenya Limited (DTBK), with equity of up to BIF 980.4 million (approximately US\$0.82 million) for a stake of up to 16.34% of the common shares of the Bank. IFC will also provide the Bank with an advisory service package under IFC's Gender Entrepreneurship and Markets advisory services program. The Project is expected to have a high development impact in the following areas: (i) enhancing competition in the banking sector in Burundi; (ii) expanding credit availability for women entrepreneurs; and (iii) promoting flow of capital into Burundi.



SOUTH AFRICA

Investment in Standard Bank of South Africa Limited under the Global Trade Liquidity Program

Approval date: March 31, 2009
IFC Investment: US\$ 100 million

Project Description

The Project is part of IFC's Global Trade Liquidity Program (GTLP) and SBSA is the first bank to be proposed for Board approval under one of two basic GTLP investment structures under which dedicated short-term loans for trade financing to regional banks are offered. Headquartered in South Africa, SBSA is the largest bank on the African continent. SBSA will support trade flows between Sub Saharan Africa and its major trading partners (e.g., Brazil, China, India and Europe). Eligible funded trade investment instruments will include funding related to documentary letters of credit; stand-by letters of credit; demand guarantees; promissory notes; bills of exchange or banker's acceptances associated with exports or imports of goods and loan facilities extended for the purpose of post-import or pre-export financing.

By leveraging the trade platform of SBSA, the Project will efficiently channel financing provided under the GTLP into rejuvenating import and export flows in a number of African

Project Approvals Continued...

countries and in critical economic sectors such as hard and soft commodities, energy and capital goods.

WESTERN AFRICA REGION

Investment in Capital Alliance Private Equity III Limited

Approval date: February 19, 2009

IFC Investment: US\$ 30 million

Project Description

The Fund, seeks to raise up to US\$500 million, will make equity investments of between US\$10-

75 million in 12- 15 enterprises with above-average potential for revenue growth and job creation. These targeted companies will be pursuing a growth strategy and looking to expand into other West African countries. In addition to investing in Nigeria, where the Fund will focus, the Fund will invest in other West African countries. The Fund expects to invest in target sectors of oil and gas services; telecommunications; electric power; energy infrastructure; services and logistics; and financial services.

Upcoming Meetings

| Date | Meeting | Venue |
|--------------------------|---|------------------------|
| <i>April 25-26, 2009</i> | <i>World Bank – IMF Spring Meetings</i> | <i>Washington D.C.</i> |
| <i>May 13-14, 2009</i> | <i>Annual Meetings of the Boards of Governors of the AfDB and ADF</i> | <i>Dakar, Senegal</i> |
| <i>May 15, 2009</i> | <i>Africa, Group I, Constituency Meeting</i> | <i>Dakar, Senegal</i> |

Africa Group I Executive Director's Office



Toga Gaywea McIntosh
Executive Director



Hassan Ahmed Taha
Alternate Executive Director

Senior Advisors to the Executive Director



Charles Chuka



Dondo Mogajane



Larai Shuaibu



Felleke Mammo



Elmutasim Elfaki



Anthony Barclay

Advisors to the Executive Director



Sheku Bangura



Chris Hoveka



Peter Larose



Dismas Baransaka

Administrative Client Support Staff in the Executive Director's Office



Corinne Lam Yuk Tseung



Catherine Kavuma



Wubalech Mekonnen



Lucy Njuguna



Marie Daramy (Temporary)

Our children may learn about heroes of the past. Our task is to make ourselves architects of the future.

~Mzee Jomo Kenyatta



*The World Bank Group
Africa Group I Constituency*

**Angola* Botswana* Burundi* Eritrea* Ethiopia* The Gambia* Kenya* Lesotho*
Liberia* Malawi* Mozambique* Namibia * Nigeria * Seychelles* Sierra Leone*
South Africa* Sudan* Swaziland* Tanzania * Uganda* Zambia * Zimbabwe**