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A newsletter from the Office of the Executive Director

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Contents

Message from the Executive Director

Mr. Denny H. Kalyalya, Executive Director

This being the first issue of the Newsletter since my election and taking Office as Executive Director of our Constituency, Africa Group 1 (AFG1), I would like to use the opportunity to express my heartfelt thanks and appreciation to Governors and Alternate Governors for their confidence and entrusting me with such an important leadership role in managing the affairs of AFG1 for the next two years. I pledge total commitment and performance to the best of my abilities. I will also remain ever mindful of the need to sustain the Governors' endorsed initiatives of my predecessor, Dr. Hassan Taha, and to build upon what was achieved under his leadership. Furthermore, I will be mindful of the imperative to play my fiduciary role and contribute effectively to the prudent conduct of the business of the World Bank Group.

In this process, I will rely on the support and strategic guidance of Governors. I will also need the cooperation and support of the Alternate Executive Director, Dr. Louis Rene Peter Larose, with his vast knowledge, skills and experience as well as dedication, hard work and professional insights of my senior advisors and advisors. I will in addition cherish the support and demonstrated commitment of the Administrative and Client Services (ACS) staff in the Office. All this will not amount to much if I fail to harness the support of fellow Executive Directors, Management and Staff of the Bank Group.

I am encouraged that over the years in our development endeavors, several countries in our Constituency have made good progress. However, considering the magnitude and complexity of development issues in general and persistent poverty and inequality as well as youth unemployment in our Constituency countries, it goes without saying that much more still needs to be done. This is against the backdrop of unfavorable global economic developments, ominous climate change issues and constrained resources environment including within the World Bank Group and among our member countries.

However, we cannot and should not throw our hands up in despair. We must continue to search for solutions and be more creative at that. Indeed, the best and lasting solutions may in fact be within our countries. The resilience of many of our countries' economies to the recent global financial crisis and some gains made in reducing poverty are but some of the good pointers to such possibilities. Commitment of our Governors to identify and address these challenges in collaboration with other development partners can hardly be overemphasized.

The new President of the World Bank, Dr. Jim Yong Kim exudes with passion and zeal to transform the World Bank Group from a "knowledge bank" to a "solutions bank". As a "solutions bank" the Bank is envisioned to support its clients by applying evidence-based, non-ideological solutions to development challenges with a focus on delivery and demonstrable results. The results in focus are not just related to escaping poverty, but also to build and achieve all dimensions of prosperity. I hope you find this encouraging, as I do, and enthusiastically look forward to contributing to the process in pursuit of this noble goal.

Besides the *Feature Story* on the role of the state in development financing, this edition of the Newsletter includes articles

on the following issues: the IDA 16 Mid-Term Review Meeting in Cote d'Ivoire; the assumption of duties of the new Boards of Executive Directors; selected performance updates and challenges of the Bank's modernization process; and the World Bank-hosted Conference on Neglected Tropical Diseases (NTD). As usual this edition also includes summaries of projects approved by the Executive Board since the last Newsletter. ■

Development Finance: The Role of the State Revisited

I. Introduction

While there are several critical factors involved in the development process, many academicians and policy makers believe that finance plays one of the most critical roles. Finance facilitates an enhanced level of productivity and utility of other vital factors including labor, land, and other natural resources. This view is relevant irrespective of the once strongly debated two diverse paradigms on the general role of the state in development. These paradigms, briefly stated, are: (i) the state should play a central role through detailed central planning, management and control of investment and social welfare; and (ii) the state should play a minimal role through a market-based driven system defined largely by economic liberalism and the predominance of the private sector.

In more recent times, these diverse paradigms have been evolving towards a general understanding that depicts them as being complementary rather than competitive forces for development as implicitly portrayed in the debate. In essence, this suggests that financing development should not be the sole purview of either the public or private sector. Moreover, it must not be taken lightly and it deserves national and international support if transformative development that impacts on the sociopolitical and economic wellbeing of the people is to be achieved.

This feature article briefly reviews the role of the state in financing development. It highlights the financial sector in general, and the state-owned development finance institutions primarily in the context of African and other developing countries. The article is organized into five sections. Following this introduction, the second section provides an overview of the role of the state in national development. The third section discusses the ways and means of financing development through the financial sector with emphasis on state-owned development finance institutions. The fourth section encapsulates the overview of the major messages as discussed in the recently published World Bank Global Financial Development Report, 2013 (WB-GFDR, 2013) entitled, "Rethinking the Role of the State in Finance". This section also discusses the implications for African and other developing countries in terms of the challenges and opportunities. The fifth and final section provides concluding remarks.

II. The Evolution of the Role of African States in National Development

Development literature[1] indicates that the role of the state in national development has been changing. Initially the concepts of free competition and the market mechanisms that define capitalism as advanced by neoclassical economists, reigned supreme especially in many Western countries particularly members of OECD. The rationale was that this economic development paradigm functioned efficiently in determining the optimum allocation of the country's resources and achieving optimal social welfare through employment generation, taxes, and other means to facilitate the provision of social and economic services. Under this framework, direct state intervention was constrained as a prerequisite for growth and development.

Later, particularly in African and other low-income countries, there was a shift in this thinking. The state was considered to be the major agent of economic and sociopolitical development. Central planning and large public sector institutions were major components of the process. The main rationale was that the prevailing features of the state such as underdeveloped markets, absence of a strong entrepreneurial class, and market failures necessitated the state's intervention to direct, plan and coordinate the development efforts to address strategic areas and stimulate development. Under this framework, there was the implied assumption that state authorities could and would exercise rationality to ensure the common good of the society as a whole. Other rationale were the need to better balance the dispersal of growth and income generating opportunities socially and geographically, as well as to guard against foreign control and the concentration economic power.

By about the mid-1970s and 1980s there was yet another shift that was virtually a return to the neo-classical paradigm, but slightly moderated and reinforced by empirical studies and advanced theoretical perspectives. This shift called for the state to play a specified minimalist but facilitative role such as providing an enabling environment for the private sector. Under this framework the private sector through the market mechanism would play a pivotal role in determining the trajectory and pace of the country's development while the state would act in specific cases of market failures. The rationale for the private sector leading the process was perceived to be its effectiveness in reducing inefficiencies, which contribute to the misallocation of scarce resources due to government's market distorting interventions and bureaucratic misfeasance and malfeasance engendered by self-seeking individual actions.

1 The literature on this subject is vast, but see for example, Benno J. Ndulu, et al (ed) The Political Economy of Economic Growth in Africa 1960–2000. Cambridge University Press, 2009; John Martinussen, Society, State and Market: A Guide to Competing Theories of Development. Zed Books, Ltd.1997 and Prundy Pillay, "The Role of the State in Economic Development in Southern Africa" 2002. (www.sarpn.org/RegionalPovertyPapers/may2002/Pillay/may02.pdf).

In the wake of the lack of expected economic success stories in many low- income countries, alternatives to the above paradigms are being increasingly considered. Here the emphasis is on how best the state and the market mechanism can serve as complementary forces for sociopolitical and economic development. One such alternative is the case where the state and the market play pivotal roles as exemplified in the development path pursued by the successful East and South East Asian countries. Under this framework, the state exercises strategic measures that creatively and innovatively combine with market mechanisms to achieve the required economic development. In this process, the financial sector in general and development finance institutions in particular can be strategically instrumental if effectively planned, operationally structured, and efficiently managed.

III. The Strategic Functions of the Financial Sector and State-Owned Development Finance Institutions

From the above discussion, it can be deduced that the financial sector is a major part of the economy. The financial sector serves primarily to mobilize resources and channel them to growth and development activities. This is achieved through several mechanisms including taxation policies, user fees, capital formation, financial markets and several modes of financial intermediation. The efficient functioning of these mechanisms and the dynamics of the inter-linkages among them and other sectors in the economy are believed to be critical in reducing the costs and risks of producing, distributing and trading socioeconomic goods and services. Thus, these inter-linkages play an important role in influencing the development trajectory and the pace in the pursuit of that trajectory.

In the context of financial intermediation, one of the critical measures is the establishment and operation of state-owned development finance institutions (DFIs). The traditional role of DFIs is to address inefficiencies in the capital markets especially where the private sector is unwilling or unable to undertake the risks of providing capital for projects or private ventures with questionable creditworthiness, but are considered critical for national development. Overtime these institutions have evolved with broader mandates of socioeconomic development significance that may not necessarily fall within the realms of pure market failures. These mandates include exercising countercyclical measures not only to respond to financial crisis, but also to simultaneously contribute towards sustaining longer-term growth, through developing infrastructure, building new industries, and protecting and creating jobs.

While the catalytic role of DFIs is considered vital to socioeconomic development, their performance regarding credit allocation in low income countries, according to the World Bank "remains generally unimpressive, undermining the benefits of using state banks as a countercyclical tool" (WBGFDR, 2013:2). The study, which offers policy advice based on research and lessons from its operations may be insightful to improving the current situation.

IV. Highlights of the WBG Study and the Implications for African and other Developing Countries

The study was undertaken largely to reassess various official interventions in the global financial systems. The aim was to draw lessons about the inter-linkages between finance and economic development and how these lessons should shape future policies.

Overall the report's main message confirms that the state's role is crucial in financing development. It states that, "active state involvement in the financial sector can help maintain economic stability, drive growth and create jobs" (ibid). For example it indicated that through State-owned development banks, the state could play a countercyclical role in times of crisis. It further indicated that it could also facilitate the pursuit of long-term development goals by filling market gaps in long-term credit and agriculture finance as well as promoting access to finance for SMEs and small retail investors. However, it sounds a cautionary note that over a long run, while the state's role is still important, it would be advisable to "adjust this role from direct interventions to less direct involvement" (ibid). Examples of such involvement include providing robust prudential supervision, ensuring healthy competition through an enabling environment, and strengthening financial infrastructure including capacity building. This is said to be particularly relevant to situations in which financial crisis has subsided.

The Report further states that loans by state-owned banks can play a positive role in stabilizing aggregate credit during economic downturns. However, it cautions that it can also lead to resource misallocation and deterioration in the quality of intermediation. It attributes this potential negative effect primarily to institutional inefficiencies. The study suggests that "policy makers can limit the inefficiencies associated with state bank credit by paying special attention to the governance of these institutions and schemes and ensuring that adequate risk management processes are in place" (ibid). It further adds that these tasks can be particularly challenging in weak institutional environments where there is the potential for the DFIs themselves to become a threat to the overall assets quality in the financial sector. This may be though the manifestation of conflict of interest in the management of these state-owned institutions.

The implication of this study for many African and other developing countries is that the role of the state should not be compromised given the importance of development financing for socioeconomic development. Rather, it should be strengthened to play that role efficiently and effectively. In the context of the financial sector in general and the DFIs in particular, the need for sustainable institutional and human resource capacity building can hardly be overemphasized.

In terms of policy, concerted measures by the state and public-private entities are necessary to ensure that the quality and level of affordable funding are provided to the relevant productive sectors most critical for socio-economic development. Prominent among these sectors are agriculture, agri-business, small-scale manufacturing and infrastructure including electricity, water and sanitation, as well as services in health, education, tourism and information technology. Policies should also be

formulated to effectively manage risks to minimize the nonperforming assets. Here DFIs inter-linkages with other institutions such as private banks, micro-finance agencies, regulatory bodies, law enforcement and related government ministries should be strengthened and seen to be credible and effective.

V. Conclusion

While other sources of financing such as official development assistance and other external inflows are important, there are compelling reasons for African and other low income countries to strive to strike the appropriate balance in their control of and minimize dependence on these sources of financing. This underscores the need to explore means that enable the state to play a more direct role, through strategic interventions that are mutually reinforcing in enabling the private sector and public sector institutions to achieve the desired national economic and socio-political development.

In this regard, financial intermediation particularly through DFIs is important to help in directing resources to their most efficient use with a view to achieving socioeconomic development. To facilitate the development effectiveness of the financial sector in this process requires substantial improvement in institutional capacity. In this context, as the Bank study implies, adequate national and international support should be provided to contribute towards establishing and enhancing the necessary systems, policies, procedures, and analytical tools. Support should also be provided for training, attracting and motivating human resources and ensuring the availability of the required technical resources. ■

Highlights of the IDA 16 Mid-Term Review Meeting in Abidjan, Cote d'Ivoire, November 13-15, 2012

IDA Deputies and Borrower Representatives met in Abidjan (Côte d'Ivoire) for the Mid-Term Review (MTR) of IDA 16. Dr. Geoffery Mwau, Economic Secretary, Ministry of Finance, Kenya participated as Borrower Representative for the Constituency.

Three African Heads of State addressed the opening session, namely: H.E. Alassane Dramane Ouattara, President of the Republic of Côte d'Ivoire, H.E. Yayi Boni, President of the Republic of Benin, and H. E. Ellen Johnson Sirleaf, President of the Republic of Liberia. They provided first-hand accounts of the challenges facing the Sub Saharan Africa region and their respective countries, and emphasized the role of and expectations from IDA in supporting country-led efforts and promoting regional programs.

In addition to the Working Groups' reports, the meeting reviewed performance on the overarching theme on Results; the four special themes of Gender, Climate Change, Fragile States and Crisis response; an update on IDA's Regional Integration work, the experience with the Capping of the Multilateral Debt Relief Initiative (MDRI) Netting-out; and IDA Graduation Policy. Highlights of discussions on these issues are provided below.

Wrap up on the four IDA16 Working Groups

The MTR served as the wrap up session on the activities of the four IDA16 Working Groups. The Chairpersons of these Working Groups reported on the final outcomes of their discussions on Inclusive Growth, Fragile and Conflict-Affected Countries, Results and Effectiveness, and IDA's Financial Sustainability. There was broad consensus regarding the success of the Working Groups as useful informal fora that furthered the understanding of these important topics and on the relevance of the outcomes as inputs that will help inform the IDA17 replenishment discussions. The role of Mr. Sheku S. Sesay, Governor, Bank of Sierra Leone and the substantive Borrower Representative for Constituency, as co-Chairperson of the Working Group on IDA Results and Effectiveness was appreciated and acknowledged.

Implementation and Results Progress Report

Delegates welcomed the progress reported on the overall portfolio performance delivering development results, which is the overarching theme for IDA16, midway into IDA16 implementation. They urged IDA to continue working on this agenda, particularly on expanding evidenced-based work through impact evaluation, and strengthening the statistical capacity of IDA countries, while maximizing cost-efficiency or "value for money".

IDA16 Special Themes of Gender, Climate Change, Crisis Response and Fragile States

Deputies appreciated the progress on the IDA16 special themes of gender, climate change, fragile states, and crisis response. They however noted the following areas for further improvement:

On climate change, they noted that large gaps remain between the scale of development assistance needed to support climate change adaptation and mitigation efforts and the available resources. The meeting underscored the need for greater clarity and definition of IDA's potential future role both within the World Bank Group and in the broader climate change financing architecture.

On the Crisis Response Window (CRW), the Meeting expressed caution regarding Management's proposals to reallocate a portion of unused CRW resources to support the large unfunded pipeline of regional projects and to scale up financing for MDG 4 and 5 where progress is lagging. They underscored the important gap the CRW fills in the aid architecture to rapidly respond and provide additional resources to IDA

countries affected by crises. Therefore, they requested for further analysis and additional options, including leaving the resources in the CRW or channeling them through the Performance Based Allocation (PBA) during the IDA17 replenishment negotiations.

On fragile and conflict affected States (FCSs) Delegates urged IDA to step up the level of ambition in providing assistance. The meeting emphasized the need to attract the most qualified staff and more flexible operational processes to adapt to the environment of FCS, and highlighted the need for a more integrated World Bank Group approach to enhance employment and private sector development in these countries. The meeting noted that the IDA16 Mid-Term Review was the beginning of a discussion on the role of IDA in FCSs to be carried through to IDA17 and requested a comprehensive conceptual framework for support to FCSs, linking consideration for enhanced financing support with improving operational effectiveness and maintaining performance incentives.

Update on IDA Regional Integration Programs

IDA was encouraged to build on the positive momentum and to work closely with other development partners, including the AfDB, to ensure a coordinated approach to tackle the specified development challenges. The Meeting agreed to explore means through which IDA could expand its role in financing the preparation of highly transformational projects, in the course of the IDA17 replenishment.

MDRI Netting Out

In reviewing the implementation experience of the capped MDRI netting out mechanism, the Meeting acknowledged that the new mechanism still had negative consequences for IDA's operational engagement in some countries. The meeting decided that the issue be further considered in the context of IDA17 replenishment negotiations, including fragile states financing.

IDA Graduation Policy

Graduation was viewed as a positive milestone in a country's development path. The meeting however noted that, if it leads to a significant lessening of available resources, it could adversely impact the capacity of a country to maintain development momentum. Therefore, IDA's flexible (non-mechanistic) approach to dealing with graduations, aimed at ensuring a successful and irreversible exit, was welcomed. Several Borrower representatives provided their perspectives on the challenges posed by graduation. The Meeting expressed willingness to consider the question of how to provide transitional support to graduating countries in the upcoming IDA17 discussions.

IDA 17 Brainstorming

Brainstorming on IDA 17 benefited from a letter of three African countries' Ministers' (on behalf of 44 African countries) highlighting their views for the future of IDA, and other written donor and borrower statements. There was broad consensus that delivering results is a key priority for IDA. There was also support for a range of other issues, including IDA support for inclusive growth; further enhancing IDA's impact on fragile countries, and maintaining the momentum in mainstreaming gender and complementing IDA's country focus with increased attention to global public goods, including climate change and disaster risk management. World Bank Group synergy to promote private sector participation, and scaling up where the impact has the potential to be transformative was also underscored.

Conclusion

The Meeting welcomed Ms. Caroline Anstey, Managing Director, World Bank as the new Chairperson for the upcoming IDA17 replenishment negotiations. She replaces Ms. Ngozi Okonjo-Iweala, former Managing Director of the WBG and the current Nigerian Minister of Finance with the expanded portfolio of the Coordinating Minister for the Economy. The Meeting also agreed that the first IDA17 Replenishment meeting would be held in Paris, France, March 2013. ■

The New Boards of Executive Directors Assume Duty

The new Boards of Executive Directors of the World Bank Group (IBRD, IDA, IFC and MIGA)[2], assumed their duties November 1, 2012. Dr. Denny Hamachila Kalyalya of Zambia now serves as the elected member of the said Boards, representing the Africa Group 1 Constituency for the period November 1, 2012–October 31, 2014. Dr. Louis Rene Peter Larose of Seychelles serves as the Alternate Executive Director, for the same period.

As stipulated in the Articles of Agreements of the four institutions of the World Bank Group (WBG), regular elections of Executive Directors (EDs) are held every two years, normally during the period of the Annual Meetings of the World Bank and the International Monetary Fund.

The Boards of Directors of the World Bank Group consist of 25 Executive Directors. The President of the WBG, who is appointed by the EDs is an ex officio and serves as Chairman of the Boards.

The EDs bear and exercise their powers delegated, under the Articles of Agreements, from the Board of Governors of the WBG, which comprises Ministers responsible for economic development, planning, and/or finance of member countries as shareholders of the WBG institutions. As such, EDs hold dual responsibilities. First as 'ambassadors' of the WBG's member country or countries

2 The World Bank Group (WBG) consists of five institutions, i.e., the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). While there are four Boards each for the IBRD, IDA, IFC and MIGA, EDs serving on these Boards are in most cases the same. On the other hand, the governing body of ICSID is the ICSID Administrative Council, made up of representatives of each Member State.

that appointed or elected them. Second as Board Officials who exercise oversight regarding the WBG's corporate interests (oversight responsibility). As their regular duties, EDs consider and approve/disapprove proposals made by the President on WBG operations relating to loans and guarantees, credits and grants, investments, and guarantees. They also review and approve policies that guide the general operations of the Bank.

Alternates to Executive Directors have the power to act in the absence of their respective Executive Directors. To assist with day-to-day work and ensure effective representation, EDs' offices are allocated a number of slots to engage Senior Advisors and Advisors. The number of slots varies according to the size of the Constituency in terms of number of member countries and engagement of the Senior Advisors as is in accordance with the agreed upon norms or rules of each individual Constituency. Senior Advisors and Advisors normally attend Board meetings in an advisory capacity. ■

Overview of the Bank's Modernization Agenda: Selected Performance Updates and Challenges

Over the years, the World Bank Group (WBG) has been criticized for slow business delivery due to its processes and procedures that are inherently cumbersome. In addition, the Bank's clients have been vocal about the cost implications of delays in the Bank's service delivery for project implementation. In response, the Bank has been implementing a modernization agenda aimed at simplifying the internal business processes. This effort was initiated in 2010 and has continued, under the leadership of the new WBG President, Dr. Jim Yong Kim, who has reinvigorated the exercise with a fresh vision of transforming the institution to a strategic and effective 'Solutions Bank'. The objective is to ensure that the Bank's policies and its procedures remain relevant to today's world and continue to support development results.

Various initiatives are underway to revamp the WBG's operational policies and procedures, driven by teams comprising staff and management of the Bank and in consultations with other stakeholders, including client countries. Besides policies, instruments and procedural reforms, the modernization process also includes five areas deemed to be critical to the change process, establishment of a Senior Management team, appointment of new officials, and realignment of responsibilities as shown in the box on page 7. The Executive Board, with its oversight mandate, is also engaged in this process as it reviews updates and provides feedback to Senior Management as and when necessary. Below are highlights of some of the major reform activities completed recently or ongoing.

Investment Lending Reform: Measures taken under this reform initiative seek mainly to modernize and consolidate operational policies and procedures related to the Bank's investment lending instruments. Changes range from the reclassification of statements contained in the Operational Policies (OPs) and Bank Procedures (BPs) to complete revision of the policies. Once completed, the reforms will result in pooling together in one policy and one product statement (OP/BP 10.00) the material previously covered in several separate Operational Policies, Bank Procedures, old Operational Manual Statements, and Operational Memoranda (OpMems). The consolidation of the numerous statements should help to:

(i) eliminate overlaps;
(ii) more precisely delineate between policy and non-policy content;
(iii) rationalize inconsistencies;
(iv) address gaps; and
(v) establish a clearer decision-making and accountability framework. The Bank will thus maintain one coherent policy that applies to the Bank's investment lending operations.

Safeguards and the Procurement Policy Reviews: As part of the modernization agenda, the Bank is currently undertaking a review of its safeguard policies with the aim to address new development demands and challenges and satisfactorily meet the varied needs of borrowers. The review seeks mainly to strengthen the effectiveness of the safeguard policies, which enhance the development impact of World Bank-supported projects and programs. Furthermore, the review process is anticipated to lead to an integrated safeguards framework that will better delineate roles and responsibilities of the Bank and the borrower, among other things.

Similarly, a review of the Bank's Procurement Operational Policies—which is a two-stage task—is being undertaken in response to demands emerging from a changing global operating context, the diverse and evolving needs of clients, and the varying instruments and changing business that the Bank offers today to promote development.

Development Policy Operations (DPOs): A recent Bank Report shows that Development Policy Operations have been relatively successful in achieving targeted development outcomes, suggesting that the Bank has effectively made use of the flexibility embedded in its policies and responded to client needs, weighing both risks and opportunities. This notwithstanding, the Bank would strive for further improvement by focusing on, among other things, assessing risks and opportunities consistently, sharpening the link between analytical underpinnings and program design, assessing more consistently the poverty/social and environmental impacts of prior actions, and strengthening the macroeconomic discussion in DPOs. ■

BOX—World Bank Group Senior Management Team, New Appointments and Realigned Responsibilities

In his bid to follow-up on his vision of transforming the World Bank Group (WBG) from a "knowledge bank" to a "solutions bank" as declared in his inaugural address during the WBF/ IMF Annual Meetings in Tokyo, Japan, October 2012, President Jim Yong Kim has established a WBG Senior Management Team (SMT), made new appointments and realigned responsibilities to enhance effectiveness and results. The main intent is to explore ways and means the institution's capacity could be strengthened to enhance implementation and outreach to support clients in applying evidence-based, non-ideological solutions to development challenges with a focus on effective delivery.

Following various consultations and discussions early in November 2012, it was agreed that the following five areas were critical to the change process: (i) enhancement of the Bank's strategic focus; (ii) promotion of knowledge and solutions; (iii) improvement of leadership and talent management; (iv) focus on results, accountability and risk; and (v) mobilization of resources.

The responsibilities of the Senior Management Team (SMT) are to discuss issues concerning the management of the organization, assess progress against the strategic objectives and resolve decisions that cannot be made by the Management Teams of individual vice-presidencies. The members of the SMT include: the WBG President; the Executive Vice President (EVP) of the IFC, the EVP of MIGA, the WB's Managing Directors (MDs), the WB Chief Economist, the Senior VP for Change Management, the WBG General Counsel, and the WB Corporate Secretary. The WBG Leadership Team which comprises all WBG's MDs, EVPs and VPs, will continue to meet on a regular basis to discuss strategic priorities and broad operational issues.

The appointed MDs and their realigned responsibilities are as follows:

Sri Mulyani Indrawati—Managing Director, Regions and Networks—responsible for coordinating the work of the regional and network VPUs in formalizing the existing matrix under a common reporting structure. This structure is expected to facilitate synergies between Regions and Networks with a view to ensuring more effective operation and maximum client impact and accountability.

Caroline Anstey—Managing Director, Operational Policy and Bank Group Services and Systems—responsible for ensuring that the WBG's internal operations, policies and systems are designed and aligned to maximize the WBG's impact. Her portfolio includes Group-wide responsibility for Human Resources (HR), Information Management and Technology (IMT), and External Affairs (EXT)/ IFC Corporate Relations; She will also lead the Bank's work to deepen the synergies across the Bank Group. She will continue to lead policy work through OPCS and coordinate the Bank's work on innovation and on the science of delivery. In addition, she will be responsible for WBI. As recently endorsed by IDA Deputies, she will Chair the IDA 17 replenishment process.

Mahmoud Mohieldin—President's Special Envoy on MDGs and Financial Development—responsible for coordinating the WBG agenda on MDGs and the Post-2015 process. He will coordinate the WBG's efforts to strengthen the Bank's partnership with multilateral development institutions and the G20. He will also lead the WBG work on long-term finance and financial inclusion, with a view to ensuring inclusive and sustainable growth. He reports directly to the President.

Pamela Cox—Senior Vice President, Change Management—responsible for providing leadership in the implementation of the Bank's change agenda. She will address the five key areas mentioned above and serve as a focal point of accountability and ownership for coordinating and pushing forward the change agenda. This agenda includes initiatives that touch many different parts of the organization. She will also be responsible for coordination and sequencing of all change initiatives as well as overall internal and external communications concerning the change agenda. She reports directly to the President.

Bertrand Badre—Managing Director, Finance and CFO—responsible for all critical internal financial functions and the General Services Department. This will include finance operations (corporate finance and treasury), control functions (risk and controller), global partnerships and concessional finance.

Mr. Bertrand Badre's appointment will become effective March 1, 2013. All other appointments became effective on January 1, 2013.

Among the Officials above only Mr. Bertrand Badre is a new WBG recruit. He is a French national, and is currently serving as the Chief Financial Officer at Société Générale, and before that, he served as the Chief Financial Officer of Crédit Agricole SA from July 2007 to July 2011. He has also been Managing Director of Lazard and an advisor to former President of France, Jacques Chirac. Mr. Badre has held a number of other high level positions in several other international organizations and co-authored several publications on economy, development and finance.

Other senior level appointments made were as follows:

Kyle Peters—Vice President and Head of Network, Operational Policy and Country Services (OPCS).

Mr. Peters is a US national. He joined the World Bank in 1983 and has since held various technical and managerial positions in the East Asia and Pacific Region, IEG, OPCS and ECA. He currently is the Director, Strategy and Operations, in ECA and prior to this, was the Director of Strategy and Country Services in OPCS.

Joachim von Amsberg—Vice President, Concessional Finance and Global Partnerships (CFP).

Mr. von Amsberg is a German national. He joined the Bank in 1993 as a Young Professional and is currently the Vice President and Head of Network, Operations Policy and Country Services. Over the last two years, he successfully managed, from that position, the Bank's reforms to focus on results in all of its activities. He also oversaw reforms of the fiduciary and safeguard functions of the Bank to better balance strong and effective controls with the need for flexibility, speed and results. In addition, he has provided effective leadership in strengthening and deepening ongoing efforts at simplifying and modernizing Bank's operations. Prior to that he held various other managerial and technical positions.

Axel van Trotsenburg—Vice President, East Asia and Pacific Region (EAP).

Mr. van Trotsenburg is an Austrian and Dutch national. He joined the Bank in 1988 as a Young Professional. He is currently the World Bank's Vice-President for Concessional Finance and Global Partnerships since August 2009. In this capacity, he led the policy negotiations and replenishment process for IDA 16 which concluded in a record replenishment of almost US$50 billion. Most recently, he oversaw the IDA Mid-Term Review that was successfully concluded in November. He has also held several technical and managerial positions in the Bank as well as in a number of global initiatives such as GEF, the Global Fund to Fight Aids, Tuberculosis and Malaria, the International Finance Facility for Immunization (IFFIm), amongst others.

Source: Staff Connection—World Bank Intranet, December 18, 2012

Addressing Neglected Tropical Diseases in Africa

The World Bank hosted a conference on Neglected Tropical Diseases (NTDs) under the theme, "United to Combat NTDs: Translating the London Declaration into Action", at the World Bank headquarters in Washington D.C., during November 16-18, 2012. The World Bank convened the Conference in collaboration with the US Agency for International Development, the UK's Department for International Development, the World Health Organization, the Global Alliance to Eliminate Lymphatic Filirisis, the African Program for Onchocerciasis Control (APOC), and the Bill and Melinda Gates Foundation.

The main objective of the meeting was to discuss progress and follow-up on commitments made in the January 30, 2012 London Declaration, to control or eliminate the most common NTDs by 2020. Commitments at the London Meeting included the undertaking by 13 pharmaceutical companies to donate free drugs to low-income countries to control the seven most common NTDs. These are river blindness, elephantiasis, trachoma, roundworm, whipworm, hookworm, and bilharzia.

Participants who represented national governments, the private sector, development partners, health experts, pharmaceutical companies, the private sector, and civil society organizations discussed progress, partnerships and responsibilities in the efforts to combat NTDs. They agreed on new coordination mechanisms to improve synergy and delivery of drugs, and to avoid duplication while enhancing cost-efficiency in the delivery of health services.

Dr. Jim Yong Kim, President of the World Bank, Dr. Sabine Ntakarutimana, the Burundian Minister of Health and Social Welfare, also the Chair of the Board for APOC, Her Royal Highness Princess Alexandra, President of Sightsavers International, and Dr. Lance Gordon, Director for Neglected Infectious Diseases at the Bill and Melinda Gates Foundation were among the dignitaries in attendance. Others included Robert McMahon, Vice President of Merck & Company, Inc., a global pharmaceutical company and major drug donor, and Neeraj Mistry, Managing Director of the Global Network for Neglected Tropical Diseases.

The Executive Director, Dr. Denny Kalyalya represented the Africa Group 1 Constituency at a welcome reception preceding the Conference. He underscored the importance of the Conference considering the prevalence of NTDs in some countries in the Constituency which are participating in the World Bank managed project on the NTDs.

The World Bank has managed the African Program for Onchocerciasis Control Trust Fund since 1995. The APOC Board has agreed to extend the life and purpose of the trust fund to 2025 to address all the preventable NTDs. The Africa Region Vice Presidency at the World Bank will continue to explore areas of the Bank's comparative advantage and provide leadership to the NTD Community. Some of these areas are: (a) cost-efficient integrated, health systems to address the treatable NTDs; (b) estimate national program costs; and (c) develop an evidence base of the pro-poor and equity issues around NTDs. The AFRVP will support the improvement and scale-up of the community health systems, which have proved to be important in the successful fight against river blindness. "The vision is that we must enable poor people everywhere to gain access to quality healthcare on a large scale," said Makhtar Diop, Africa Region vice president.

It is clear that eradication of these diseases will largely depend on concerted efforts in communities, local governments with overall coordination at the national level. "In Africa in general and in Burundi in particular, we deeply adhere to the London Declaration which contributes very significantly in our fight to break the vicious circle of poverty, disease and poverty through the elimination and eradication of NTDs," said Dr. Sabine Ntakarutimana, Minister of Health and Social Welfare, Burundi during the Washington Conference. "Indeed we deeply believe that freedom from NTDs is a human right, equity, and equality." ■

Some quick facts about NTDs

Neglected Tropical Diseases (NTDs) are a group of 17 diseases that disproportionally affect the very poor.

These are:

1. Buruli Ulcer (Mycobacterium ulcerans infection)
2. Chagas disease (American trypanosomiasis)
3. Cysticercosis/Taeniasis
4. Dengue/Severe dengue
5. Dracunculiasis (guinea-worm disease)
6. Echinococcosis
7. Foodborne trematode infections (Clonorchiasis, Fascioliasis, Opisthorchiasis, Paragonimiasis)
8. Sleeping sickness
9. Leishmaniasis
10. Leprosy
11. Elephantiasis
12. River blindness
13. Rabies
14. Bilharziasis
15. Soil transmitted helminthis (roundworm, whipworm, hookworm)
16. Trachoma
17. Yaws

Until the recent past, activities on the global health agenda focused on HIV, malaria and TB, thus overshadowing NTDs. The NTDs rarely kill but they disable and weaken. They put victims at risk of other conditions, and cost billions in healthcare and lost productivity.

The World Health Organization estimates that NTDs affect more than a billion people worldwide, including more than 500 million children.

Snapshot of Projects Approved by the Executive Board

November to December 2012

Country	Approval Date	Project Title	Source of Funding	Amount (Equivalent in US$ Million)	Project Development Objective
Kenya	Nov 15, 2012	Kenya Infrastructure Finance Public-Private Partnerships (IFPPP) Project—Adaptable Program Lending (APL) Phase I	IDA	40	To increase private investment in Kenya infrastructure market across sectors and to sustain this participation over an extended period of time.
		Kenya—Judicial Performance Project	IDA	120	To improve the performance of the Judiciary and to provide its services in the project areas in a more effective and accountable manner.
Namibia	Dec 20, 2012	Namibian Coast Conservation and Management GEF	IBRD	1.92	To assist Namibia to conserve, use sustainably and mainstream the biodiversity of the Namibian Coast
Tanzania	Dec 20, 2012	Tanzania—Second Central Transport Corridor Project—Additional Financing and Restructuring	IDA	100	To support the recipient's efforts to achieve economic growth by providing reliable and cost effective: (a) mass transit system on the selected corridor in Dar es Salaam city; and (b) airport facilities on Zanzibar Island.

Upcoming Meetings and Missions

1. Executive Directors' Travel to Eastern and Southern Africa
   - Bujumbura, Burundi — February 15-16
   - Lusaka, Zambia — February 18-21
   - Maputo, Mozambique — February 21-24

2. First IDA 17 Replenishment Meeting
   - Paris, France — March 20-21, 2013

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