Civil Society Engagement eNewsletter - June 2006

MAIN STORIES:

1. New World Bank General Counsel Appointed by the President - WB President appointed Ms. Ana Palacio, a Spanish national, to serve as Senior Vice President and World Bank Group General Counsel. She will also serve as Secretary General of the International Centre for Settlement of Investment Disputes, one of the five organizations composing the World Bank Group. Her candidacy was unanimously recommended by a search committee which included the German and the German and Indonesian representatives of the Bank's Board of Directors and was supported by the reputed executive search firm, Russell Reynolds. Ms. Palacio has worked in the private sector in an export business; for a large law firm before establishing her own; she spent eight years with the European Parliament; she was the first woman to serve as Spain's Foreign Minister. More

2. World Bank Publishes Ratings of WB's Country Policy and Institutional Assessment (CPIA) - Following an agreement reached by the WB Executive Board during the IDA-14 replenishment negotiations, the numerical IDA country ratings, called the Country Policy and Institutional Assessment (CPIA) scores, have now been made public and are posted on the Bank's website. The CPIA ratings assess each eligible IDA country's performance in implementing policies that promote economic growth and poverty reduction – the main factor that determines how scarce IDA resources are allocated. More

3. New Avian Flu Trust Fund Established by the European Commission and the World Bank - The European Commission (EC) and the WB have agreed to a new avian flu trust fund arrangement under which the EC will contribute €46 million to a new multi-donor financing mechanism administered by the Bank, called the Avian and Human Influenza (AHI) Facility. The EC contribution will finance grants for countries in separate geographic windows—Central Asia, East and South Asia, Eastern Europe and Mediterranean Littoral—to increase human influenza pandemic preparedness, as well as preventing or progressively controlling avian influenza within these regions. At the global level, the AHI Facility will help countries to prepare and implement integrated country action plans. The objective is to reduce the social and economic impact of avian influenza and to minimize the possibility of a human flu pandemic in developing countries with insufficient domestic resources and capacity to combat the disease. This commitment by the EC represents more than 80 percent of the total commitment to date by donors to the Facility. More

4. Bank President and Infrastructure Vice President Discusses Lessons Learned on Infrastructure with Civil Society - CSOs in five Asian countries met virtually and face-to-face with WB President Paul Wolfowitz and WB Infrastructure Vice President Kathy Sierra on May 29, 2006 to share their views and discuss lessons from Bank's involvement in infrastructure sector -- including water and sanitation, energy and power, roads and telecommunications -- around the world. The event was organized as the first in a series of efforts to seek feedback from stakeholders on the recently released report, “Infrastructure: Lessons from 20 Years of World Bank Engagement.” That report, commissioned at the request of Mr. Wolfowitz shortly after he took office last year, outlines five key conclusions that have emerged from WB's work in the sector, and how WB is adapting to incorporate the lessons learned. CSO representatives participated face-to-face in the discussion from the Bank's Distance Learning Center in Tokyo, and they were connected by videoconference to others in Hanoi, Bangkok, Canberra, and Jakarta. The five “lessons learned” include the need to balance the demands for growth with ensuring access; ensure environmental and social safeguards are in place; confront corruption decisively; and to consider the full range of private sector or public sector solutions when designing infrastructure projects. Wolfowitz and Sierra welcomed critical reactions to the report and feedback from CSOs on whether the Bank had drawn the right conclusions. The participating CSOs raised a number of issues, including concerns about whether infrastructure projects really benefit the poorest of the poor; whether the Bank might consider investing more in smaller-scale and "soft" infrastructure which may have greater impact; whether the "lessons learned" are being sufficiently “operationalized” at the Bank; and how to ensure that infrastructure, once installed, is used in a sustainable way. More
5. World Bank President Addresses CARE National Advocacy Conference in Washington, D.C., June 7, 2007 - WB President Paul Wolfowitz addressed the CARE National Advocacy Conference taking place in Washington, D.C. on June 7-8, 2006. He spoke during the first day opening plenary to a crowd of some 400 participants who are appealing to US policymakers to provide more support for development assistance. In his address, he noted that while real progress has been made over the last two decades on reducing poverty, many serious challenges remain, especially in sub-Saharan Africa but also in middle-income countries such as China and India. He gave several examples to highlight how women are among the most important factors in development, and he also spoke about the need to encourage the growth of civil society groups in developing countries, which he says are critical to development not only by delivering basic services in education and health, but also by holding the governments accountable and preventing corruption.

6. Paul Wolfowitz Remarks at Africa Growth and Opportunity Act Summit (AGOA) - Mr. Wolfowitz said Africans can attract far higher levels of investment, and in doing so, generate the jobs that will lift more of the population out of poverty. Co-chairing a roundtable discussion at the Africa Growth and Opportunity Act (AGOA) Investment Summit in Washington, he said that since coming to the Bank, "I've discovered how much hope there is" in Africa, made stronger by the sustained growth record of some 15 countries. But he warned against impatience and reform fatigue, stressing that economic and social change takes time. He urged African countries to make sure that companies' finances were transparent and easily comparable with similar firms in other countries, and he urged nations like the U.S. to encourage companies to invest in Africa by providing them a tax holiday on repatriated profits.

7. Dr. Anwar Ibrahim Deliveres the Presidential Fellow Lecture - The Presidential Fellows Lecture series is a long-running set of presentations from important policy makers and development experts. Past lectures have included former World Bank Chief Economist Nick Stern and CARE USA President Peter Bell. As part of the series the Bank hosted Dr. Anwar Ibrahim, former Deputy Prime Minister of Malaysia, to speak on June 19, 2006. President Paul Wolfowitz introduced Ibrahim and moderated the following discussion session. Ibrahim spoke on governance and accountability as drivers for social change, led by development organizations. He drew upon his experiences in Malaysia to illustrate this point, highlighting the positive results from anticorruption initiatives. Ibrahim also tied accountability to freedom, calling it the process of "civilizing power," and he advocated cooperation with the World Bank to countries that are working toward good governance.

8. Global Environment Facility Appoints New CEO - The Council of the Global Environment Facility (GEF) - an international financial mechanism with 176 member countries that addresses global environmental issues while supporting national sustainable development initiatives - on June 8 appointed Mrs. Monique Barbut, a French national, to a three-year term as its Chief Executive Officer and Chairman. Mrs. Barbut, who was until then the Director of the Division of Technology, Industry and Economics, United Nations Environment Programme (UNEP), succeeded Mr. Leonard Good who is retiring in July 2006. Mrs. Barbut's appointment became effective on July 15, 2006.

NEWS FROM THE WORLD BANK'S REGIONAL DEPARTMENTS

Africa (AFR)

Cape Verde Receives US$10 Million for Poverty Reduction Support - The US$10 million International Development Association (IDA) credit to support the implementation of the country's Growth and Poverty Reduction Strategy (GPRSP) was approved by the WB's Board on June 1. It is the second of a planned series of three annual poverty reduction support credits. It will have three areas of focus: (a) on good governance, GPRSP-2 will ensure budget support to priority sectors; (b) on human development, it will improve quality and efficiency of basic education; and (c) on social protection, it will decentralize and rationalize service delivery, improve management and coverage of social pensions and promote and support community-driven initiatives.

Grant to Bring Malaria Under Control in Benin - The WB's Board on June 1 approved an International Development Association (IDA) grant of US$31 to Benin for a Malaria Control Project. The grant makes Benin the seventh country to benefit from the World Bank's Booster Program for Malaria Control in Africa. The project will support implementation of the Government's 2006-2010 Roll Back Malaria Strategic Plan, which aims to cut the country's malaria burden in half. Key areas that will be supported include malaria treatment capacity principally in the public health sector and NGOs for the pregnant women and children under 5 years of age, scaling up malaria prevention activities by large-scale distribution of long-lasting insecticide treated bed nets to vulnerable populations, strengthening national monitoring and evaluation system, and capacity development of both public and non-public sector.

Interim Country Assistance Strategy for Ethiopia - On May 25 the WB's Board approved Ethiopia's Interim Country Assistance
World Bank Funding for the Development of Water Resources and Reduction of Water-Related Diseases in Four African Countries - The Senegal River Basin Multipurpose Water Resources Development (MWRD) program was approved by the WB’s Board on June 8. This 10 year program will benefit Guinea, Mali, Mauritania and Senegal, and will fund integrated water resources development activities focusing at the local level to help generate income to reduce poverty among rural communities along the river basin. A total of 2 million people are expected to benefit from the first phase of the project. Direct involvement and participation in the project by local communities will help ensure full ownership and commitment of the riparian population to secure the existing investments and those planned through this project.

Further Support to Ghana’s Growth and Poverty Reduction Strategy - The country’s Growth and Poverty Reduction Strategy (GPRS) on June 15 received the fourth in the series of budget support credits in the amount of US$140 million. Referred to as the Fourth Poverty Reduction Support Credit, it is to be used to promote gains made in the areas of primary education and health, as well as to help sharpen the focus on growth-related areas in the energy, financial and natural resource management sectors. One of the pillars of the program will support participation of traditional authority, civil society and the general public in the monitoring of government efforts.

Joint Statement by the International Donor Community on the Situation in Timor-Leste - Members of the international donor community have urged the Timorese to work to end the current crisis and return the country to a path of peace while welcoming the arrival in Dili in the last days of May of the UN Special Envoy. Donor governments and the European Union, the Asian Development Bank, the International Monetary Fund and the World Bank issued on May 31 a joint statement in which they express their hope for a quick and peaceful solution to the crisis.

Profile of One of Winners: Philippines Development Marketplace - The organization Tahanang Walang Hagdanan (TWH) is one of the 30 winners of the 2006 Philippines Development Innovation Marketplace competition held in May, through which 30 innovative projects were awarded US$5 million to carry out ideas that will provide concrete benefits to their communities. TWH’s project envisages setting up a business center which would provide training for people with disabilities in the country, and provide them an opportunity to better market their products.

World Bank President Visits Tokyo and Seoul - WB President visited Japan and South Korea from May 27-31, 2006, to advance the development and anti-poverty agenda, in a series of meetings with Japanese and South Korean authorities and leaders of civil society and business. In Japan he met with the Prime Minister and Minister of Finance as well as other leaders, development aid officials and CSOs. He attended the Annual Bank Conference on Development Economics (ABCDE) 2006, co-organized with the Japanese Ministry of Finance. This year’s theme of the forum focused on infrastructure. In Korea, President Wolfowitz met with the President, other government officials as well as business leaders and CSOs.

Europe and Central Asia (ECA)

Russia and World Bank Announce New Cooperation In Support of Global Development - The WB President and Russian Finance Minister Kudrin agreed on June 9 to work together to help poor countries in the areas of debt relief, infectious diseases, and energy and development. Their announcement was made in the context of G8 finance ministers meeting. The joint statement reaffirms the importance of enhancing donor coordination, in particular between traditional donors and emerging ones like Russia. As part of
this, the WB agreed to provide technical assistance to the Russian authorities in establishing a national system for official development assistance. In concluding, the two leaders said their collaboration would place a strong emphasis on results. They agreed to take stock of implementation of their program of cooperation twice a year at the time of the WB/IMF Spring and Annual Meetings. 

**Economic Performance in Central Europe and Baltics Improved in 2005, Says New World Bank Report**

Macroeconomic performance improved in most EU8 countries through the fourth quarter of 2005 and into 2006, according to the latest edition of the EU8 Quarterly Economic Report released by the World Bank on May 30. Growth proved to be robust and resistant to both domestic political uncertainty and difficult external conditions resulting from relatively weak output growth in EU15 and surging oil prices. Rapid output growth is increasingly accompanied by higher employment. Despite recent signs of weakening emerging market sentiment, short-term economic prospects remain favorable as suggested by early indicators and consensus forecasts for 2006.

**World Bank Supports Social Inclusion in Romania**

The WB’s Board on June 13 approved a US$58.5 million loan for a Social Inclusion Project in Romania. The project will improve living conditions and social inclusion for some of the most disadvantaged and vulnerable groups in the country, including the Roma minority. By the time the project is completed, some 70% of Roma in the targeted poor settlements will witness improvement in basic living conditions, more children from vulnerable populations will be enrolled in preschool, people with disabilities will receive higher quality services.

**Bulgaria and World Bank Launch New Partnership Strategy**

A new Country Partnership Strategy (CPS) for Bulgaria was discussed by the WB’s Board on June 13. The CPS provides the basis for the Bank’s operations in the country during 2006-2009. The new strategy envisages a lending program of up to US$300 million per year, along with significant analytical work and advisory services focusing on the country’s economic priorities, such as strengthening the investment climate for private sector growth and boosting employment.

**New World Bank Country Assistance Strategy for Argentina**

The WB on June 6 launched its new Country Assistance Strategy (CAS) for Argentina, which will guide the Bank Group’s program in the country through 2008. The CAS was prepared with the Argentine authorities within the context of broader discussions and consultations with civil society and the private sector, and includes support from both the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC). The CAS includes up to US$3.3 billion in new IBRD financing for Argentina in support of investment operations to support the three pillars of sustained economic growth with equity, greater social inclusion, and improved governance.

**World Bank Grant for Social Protection in Iraq**

On June 3, the WB signed a grant agreement with Iraq to help strengthen the country’s capacity to reform social safety net and pensions programs. The $8 million Emergency Social Protection Project is financed by a multi-donor Iraq Trust administered by the WB. The project will help the Ministry of Labor and Social Affairs increase by six times the number of poor households that will receive social assistance.

**World Bank To Strengthen Existing Presence In Iraq**

On May 16, at an informal meeting of the Executive Directors of the World Bank, Bank’s Country Director for the Middle East Department briefed the Board on the status of the Bank’s work program in Iraq and explained the intention of the MENA region to strengthen its existing presence in Iraq, timed with the advent of a new Iraqi full-term government.

**Country Assistance Strategy for Pakistan Envisages Increased Support from the World Bank**

The WB’s Board on June 1 discussed a new Country Assistance Strategy (CAS) for Pakistan. The document covers the period 2006-2009 and envisages a flexible lending program of up to US$6.6 billion – a substantial increase over the previous CAS period. The new CAS places immediate priority on addressing the impact of the October 2005 earthquake. It is aligned to Pakistan’s Poverty Reduction Strategy (PRSP), and its preparation benefited from consultations with federal and provincial governments, the private sector, donors, and CSOs. Consultations were carried out using a two-stage process consisting of a client survey and stakeholder consultations workshops.

**NEW PUBLICATIONS FROM THE WORLD BANK**

**Changing the Face of Development Finance?**

A new WB report says 2005 was a landmark year in global development
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The Global Development Finance 2006 report says net private capital flows to developing countries reached a record high of US$491 billion in 2005. And significantly, the report shows capital flows between developing countries (the so-called south-south flows) are now growing more rapidly than those between developed and developing countries (north-south flows) particularly in foreign direct investment. Mansoor Dailami, lead author of the Global Development Finance report says the flows between developing countries do have the potential to change the face of development finance – particularly if growth in developing countries continues to outpace that of developed countries. Dailami says in terms of size, the amounts of the flows between developing countries are still small, but they do reflect those countries’ growing size and power. More

New World Bank Report Warns Of Global Crisis In Health Financing - The report: Health Financing Revisited-A Practitioner's Guide, warns that healthcare systems worldwide are struggling to cope with sharply rising costs, at the same time as countries scramble to deal with the HIV/AIDS crisis and head off the possibility of human bird flu pandemic, while the enormous health gap between rich and poor countries persists. It raises serious concerns about current global efforts to expand the reach of healthcare systems to improve the health of millions of the world's poorest people by 2015, as called for in the Millennium Development Goals. The report says that the international community, for its part, must live up to its promise to substantially increase its development aid at the same time as making it predictable and sustainable. Development assistance for health has increased in recent years but recent findings suggest that donors need to make a more concerted effort to work with national governments to develop action plans and provide long-term consistent financing. A profusion of donor efforts have distorted country spending priorities, increased transaction costs, and fragmented health service delivery. On the other hand, it is ultimately developing countries which must face the challenges of reforming their health financing systems to create sufficient operating budgets, ensure that all their citizens get access to effective healthcare, while protecting their people against impoverishment due to catastrophic medical expenses and other setbacks such as job loss or natural disasters. More

Critical Choices Today Will Define The World In 2050 - The Road to 2050: Sustainable Development in the 21st Century looks at how, while gross domestic product (GDP) growth has been uneven across countries and over decades, developing countries have enjoyed significant growth in life expectancy and levels of education since 1960. According to the publication, the UN medium population projection suggests that world population could be 9 billion, up from 6 billion today, with almost all of that increase in the cities and towns of developing countries. 40 percent of world income in 2050 would be earned in low- and middle-income countries—twice their share today, according to the document. If per capita incomes in low- and middle-income countries do rise at 3.3 percent a year, the report argues, the average income in these countries would be $6,300 by 2050. Basic human needs for shelter, food, and clothing could be more than met. WB Acting President for Sustainable Development, noted that “Our optimistic vision of 2050 is achievable, but only if governments, civil society, business, and the development community work together, building action-oriented coalitions that can make a real difference. We look forward to the journey.” According to the publication, these factors will clearly be essential underpinnings for achieving a wealthier, more equitable world by 2050. More

An IEG Evaluation of World Bank Assistance for Natural Disasters - The report: Hazards of Nature, Risks to Development, is the first ever assessment of WB assistance for natural disasters, and one of the most comprehensive reviews of disaster preparedness and response ever conducted. The report calls for new thinking that integrates predictable disaster risks into development programs. It concludes that it is possible to anticipate where many natural disasters will strike, yet expresses concerns that the WB's disaster assistance efforts are underutilizing these vital lifesaving forecasts. The WB is the largest funding agency of disaster recovery and reconstruction in developing countries. Since 1984, the Bank has financed a total of $26 billion in disaster activities. These more than 500 projects represent almost 10% of all WB loan commitments during this period. Over 80 percent of Bank disaster financing has addressed rapid onset disasters -- floods, earthquakes, tropical storms and fires. More

NEW WEBSITES / WEB RESOURCES

New and Improved Website on Social Funds - The revamped website provides an overview of the evolution of social funds at the WB, a design and implementation section focusing on key design issues related to social funds, themes covering some of the most common cross-sectoral topics relevant to social funds, as well as a new section which provides a brief review of the social funds portfolio at the WB by country and region. A new feature is a section on focus areas reflecting priority topics identified through the annual survey conducted by the Social Funds team. More

UPCOMING AND ONGOING GLOBAL EVENTS/DISCUSIONS

6th CIVICUS World Assembly, Glasgow, Scotland, June 21-25, 2006 - The CIVICUS World Assembly is a major global forum for international CSO representatives to get together, exchange ideas, experiences and build strategies for a just world. It is
intended to provide a platform for dialogue with high-profile speakers and grassroots activists from all over the world. A WB delegation led by Carolyn Reynolds Mandell, head of the Bank's civil society team, will participate in the event. Among the featured sessions will be a workshop on lessons learned from the World Bank-Civil Society Joint Facilitation Committee and the findings of the JFC-sponsored paper entitled A Call for Participatory Decision-Making. More

International Ford Fellows Visit the World Bank - The Bank is receiving a group of 90 International Ford Fellows for a half day presentation on June 21. The fellows are MA and PHD degree students in a variety of fields ranging from economics to political science, and come from some 20 developing countries. They are in Washington to participate in a course at the Leadership for Social Justice Institute in DC, as well as visiting various governmental agencies and the US Congress. In addition to getting an overview on the Bank, the fellows will be meeting with senior staff from several departments and units -- education, environment, governance, disability, gender, HIV/AIDS, and economic research -- to have issue-specific discussions. This is an annual visit to the Bank organized by World Learning.

RECENT GLOBAL EVENTS/DISCUSSIONS

Multi-Country Demobilization and Reintegration Secretariat Briefing in Brussels, Belgium, June 1, 2006 - Communications staff of the World Bank-based Multi-Country Demobilization and Reintegration (MDRP) Secretariat presented an overview of MDRP activities, progress and challenges to journalists and CSOs in two briefings on June 1. MDRP is a regional initiative that supports demobilization and reintegration of ex-combatants from regular and irregular forces in Angola, Burundi, the Central African Republic, the Democratic Republic of Congo (DRC), the Republic of Congo, Rwanda and Uganda. It is financed by the WB and governments of: Belgium, Canada, Denmark, France, Germany, Italy, Netherlands, Norway, Sweden, the United Kingdom; and the European Commission. The first press briefing included journalists from BBC-Africa. MDRP staff subsequently responded to questions for CSOs present, including International Alert, EURAC (Reseau European pour l'Afrique Centrale), and Red Cross Belgium, which implements an MDRP child soldier project in the DRC. European Commission MDRP focal point Rory Keane was also present to answer questions from a donor perspective. More

Annual Bank Conference on Development Economics (ABCDE), Tokyo, Japan, May 29-31, 2006 - This year’s forum, organized under the theme ‘Rethinking Infrastructure for Development,’ addressed several major topics related to infrastructure and growth, climate change, energy efficiency, rural development, agriculture and the implications for regional cooperation. The conference was held for the first time in East Asia, in recognition of Japan’s pivotal role in the provision of development assistance and in order to bring the WB’s research on development into closer contact with Asian perspectives. The ABCDE Tokyo 2006 was also a milestone towards the Annual Meetings of the WB and the IMF to be held in Singapore in September 2006 since the discussion emerging from ABCDE 2006 will be deepened by the following discussions to be made at the Singapore Annual Meetings. The conference also featured the first public presentation of Global Development Finance 2006, the WB’s annual publication providing data and analysis on capital flows to developing countries. Also the winners of the International Essay Competition 2006 received their awards during an award-winning ceremony. The Essay Competition is an initiative of the WB in partnership with a number of international universities and student organizations. This competition invites young people between 19 and 25 to share ideas on and propose innovative solutions on “How they contribute to solving community problems” and on “How they influence decision-making”. The ABCDE 2006 was co-organized by the WB and the Ministry of Finance of Japan. More

The Newsletter is produced by the Civil Society Team of the World Bank (WB) in collaboration with other WB units. This newsletter highlights some of the many policies, programs, and initiatives of the WB which may involve or be of interest to CSOs. We welcome your comments and feedback to make this newsletter as useful as possible. You can subscribe to the Newsletter using a new registration page: http://www.worldbank.org/civilsocietyengagementnewsletter/. Please share your comments on the Newsletter with us: civilsociety@worldbank.org. All past issues of the Newsletter can be found on the WB site on Civil Society Engagement at: http://www.worldbank.org/civilsociety.