



The World Bank Annual Report

2003

27000

Volume 1
Year in Review



THE WORLD BANK

Letter of Transmittal

This *Annual Report*, which covers the period from July 1, 2002, to June 30, 2003, has been prepared by the Executive Directors of both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) in accordance with the respective bylaws of the two institutions. James D. Wolfensohn, President of the IBRD and IDA, and Chairman of the Board of Executive Directors, has submitted this report, together with the accompanying administrative budgets and audited financial statements, to the Board of Governors.

Annual reports for the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes are published separately.

Operational Summary, Fiscal 2003

IBRD (millions of dollars)	FY03	FY02	FY01	FY00	FY99
Commitments	11,231	11,452	10,487	10,919	22,182
Of which adjustment lending	4,187	7,384	3,937	4,426	13,937
Number of projects	99	96	91	97	131
Of which adjustment lending	21	21	15	14	26
Gross disbursements	11,921	11,256	11,784	13,332	18,205
Of which adjustment lending	5,484	4,673	4,393	4,924	10,002
Principal repayments (including prepayments)	19,877	12,025	9,635	10,398	9,972
Net disbursements	(7,956)	(769)	2,149	2,934	8,233
Loans outstanding	116,240	121,589	118,866	120,104	117,228
Undisbursed loans	33,031	36,353	37,934	44,754	51,372
Allocable net income	3,050	1,831	989	1,582	1,263
Usable capital and reserves	30,027	26,901	24,909	25,067	23,782
Equity-to-loans ratio	26.6%	22.9%	21.5%	21.3%	20.7%
IDA (millions of dollars)	FY03	FY02	FY01	FY00	FY99
Commitments	7,282	8,068	6,764	4,358	6,967
Of which adjustment lending	1,831	2,443	1,828	682	1,542
Number of projects	141	133	134	126	145
Of which adjustment lending	24	23	15	9	22
Gross disbursements	7,019	6,612	5,492	5,177	6,172
Of which adjustment lending	2,795	2,172	1,280	860	1,214
Principal repayments	1,369	1,063	997	920	814
Net disbursements	5,651	5,549	4,495	4,257	5,358
Credits outstanding	106,877	96,372	86,572	86,643	83,158
Undisbursed credits	22,429	22,510	20,442	20,833	22,249
Development grant expenses	1,016	154	—	—	—

The World Bank Annual Report

2003

Volume 1 Year in Review

About the cover

In Vietnam, where the majority of the poor live in rural areas, the Bank has reoriented lending toward decentralized, participatory projects targeted to the poorest areas. Such projects include small-scale infrastructure projects that rely on community assessment of priorities and investments in rural roads and markets, irrigation and water supply, and basic education and health. *Cover photo by Tran Thi Ho for the World Bank Photo Library.*

Note

This is the first of two volumes that will be distributed as a set. The complete Management's Discussion and Analysis, audited financial statements of the International Bank for Reconstruction and Development, audited financial statements of the International Development Association, and appendixes are published in a separate volume as *The World Bank Annual Report 2003: Volume 2, Financial Statements and Appendixes*. This *Annual Report* is also available on the Internet at www.worldbank.org.

All dollar amounts used in this *Annual Report* are current U.S. dollars unless otherwise specified.

Photo, top right: World Bank Headquarters in Washington, D.C.



Contents

Message from the Chairman	2
The Board of Executive Directors	4
The World Bank Group	8
Chapter 1 Strategy and Action	11
Chapter 2 Overview of World Bank Activities in Fiscal 2003	27
Chapter 3 Improving Development Effectiveness	45
Chapter 4 Thematic Perspectives	59
Poverty Reduction and Economic Management	60
Investing in People	65
Toward Environmentally and Socially Responsible Growth	69
Supporting Private Sector Development and Infrastructure	73
Building Strong Financial Systems	78
Promoting Appropriate Legal and Judicial Systems	81
Chapter 5 Regional Perspectives	85
World Bank Regions, Country Offices, and Borrower Eligibility	86
Africa	88
East Asia and Pacific	94
South Asia	99
Europe and Central Asia	104
Latin America and the Caribbean	109
Middle East and North Africa	114
Chapter 6 About the World Bank	119
List of Part I and Part II IDA Member Countries	181
World Bank Web Sites	182
List of Boxes, Figures, and Tables	184
Index	186
Abbreviations and Acronyms	190
Select World Bank Publications	192

Message from the President of the World Bank and Chairman of the Board of Directors



During his visit to China in May 2002, Mr. Wolfensohn attended a ceremony to celebrate China's joining the Development Gateway Foundation as a Founding Member. He also launched the China Development Gateway together with senior officials of the Chinese government.

The past year has been one of extraordinary global anxiety and uncertainty, including the continuing economic slowdown, the conflict in Iraq, and the impact of a new disease, sudden acute respiratory syndrome (SARS). In this context it is more important than ever that we work with our development partners to redouble efforts to reduce world poverty.

The pledges made at the International Conference on Financing for Development at Monterrey in March 2002 underscored the importance of the collective effort needed to attain the Millennium Development Goals (MDGs), including the goal of reducing poverty by half by the year 2015. The Monterrey Consensus provides a framework of actions and accountabilities for all parties, developed and developing countries alike. All are agreed that we must now focus on implementation and augment the impact of our collective efforts.

For the World Bank this has translated into a special focus on implementation in four priority sectors that are key to meeting some of the MDGs—education for

all, HIV/AIDS, water and sanitation, and health. Working with our partners in these areas we have learned a number of lessons that can be applied going forward. First, support must be based on country-driven programs set in a sound policy environment. Second, where the right policy environment exists, the international community needs to be ready to provide the additional support to help countries meet their targets. Third, resources must reach countries in the right form—that is, aligned with their budget cycles, untied from donor-driven imperatives, and with simplified and harmonized donor procedures. Meeting the MDGs not only will require more development assistance but also will require that assistance to be used even more effectively.

The approach embedded in the Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers (PRSPs) helps us all respond to the challenge of improving development effectiveness—and that approach is increasingly taking root in many of the poorest countries. We also have begun to better

understand how the CDF principles can be applied in middle-income countries to address issues of poverty and equity. In addition, we are making special efforts to assist the group of low-income countries that suffers from weak policies and governance, including those with long-standing conflicts. Without progress in those countries, the MDGs will not be met.

In partnership with others, the Bank's support to the poorest countries has included debt relief through the Heavily Indebted Poor Countries (HIPC) Initiative. Over time this will reduce debt stocks and debt-service burdens by an estimated \$40 billion from all creditors. In the past year our own internal review of HIPC has indicated that there are areas where we can improve the initiative even further—and action is under way to implement the changes. The 13th Replenishment of the International Development Association (IDA-13) agreement to provide grants to the poorest and debt-vulnerable countries is also a significant step forward.

Monterrey underscored the central importance of trade in attaining the MDGs. At the Doha meeting on trade last year, the international community made a commitment to collective action that holds the promise of truly integrating trade with development. As we approach the halfway mark of the Doha Round, the challenge of translating that commitment into concrete results looms large. Agriculture is the most crucial and most difficult issue on the agenda—and market restrictions and subsidies in agriculture are the most important external impediments to tackling poverty in the developing countries. In fact, the amounts of aid needed globally by all the developing countries to reach the MDGs represent a fraction of what is spent on agricultural subsidies by developed countries. Action on the trade agenda is a top priority for the international community.

Private sector investment and productivity are also needed to accelerate growth and achieve the MDGs. For vital investments in sectors of the economy such as infrastructure, for example, much of the investment continues to come from the public sector, which funds 75 percent to 80 percent of the estimated \$250–\$300 billion of annual infrastructure investment in developing countries. Throughout the developing

world, more than 1.2 billion people lack access to safe water, and nearly twice as many do not have improved sanitation. Given the scale of the needs, the World Bank Group, with the support of our Board and in partnership with many other development actors, will increase our investment in infrastructure. And through our focus on policy reform and capacity building we will aim to leverage additional financial support from both public and private sources.

Our actions must lead to development that is sustainable. The World Summit on Sustainable Development held last year in Johannesburg, South Africa, emphasized the need to move toward a sustainable future, combining environmental responsibility with social equity. The Bank Group will continue to take fully into consideration the effect of our development programs on future generations.

Strengthening our partnerships has become a core objective of the Bank in recent years. Two principles have been key in our search for better coherence and cooperation. First, in the interests of efficiency and effectiveness the Bank has sought to work increasingly closely with all relevant partners, deferring to their work and judgments in areas where they have comparative advantage. Second, at the country level we have stressed the principle that all partners must align behind country-owned strategies. Ultimately, increased effectiveness and a better chance for sustainable and successful development can be ensured when the countries truly steer their own development with the full support of the international community.

During the past year we have made important inroads in that regard. But we all must step up our efforts if we are to meet our joint goal of cutting poverty in half by the year 2015. I can assure you that the dedicated and talented staff of the World Bank Group is committed to this endeavor in the period ahead.



James D. Wolfensohn

The Board of Executive Directors



From left to right: (standing) Yahya Alyahya, Guangyao Zhu, Per Kurowski, Pietro Veglio, Pierre Duquesne, Eckhardt Biskup, * Eugene Miagkov, * Finn Jonck, Carole Brookins, Louis Kasekende, Paulo Gomes, Amaury Bier, Yuzo Harada, Neil Hyden, Alieto Guadagni, Kurt Bayer; (seated) Rapee Asumpinpong, Tanwir Ali Agha, Mahdy Aljazzaf, Rosemary Stevenson, * Ad Melkert, C. M. Vasudev, Marcel Masse.

*Alternate (one director was not available for this photograph).

The Executive Directors are responsible for the conduct of the World Bank's general operations, performing their duties under powers delegated by the Board of Governors. As provided in the Articles of Agreement, 5 of the 24 Executive Directors are appointed by the member countries having the largest number of shares; the rest are elected by the other member countries, which form constituencies in an election process conducted every two years.

Executive Directors consider and decide on International Bank for Reconstruction and Development (IBRD) loan and guarantee proposals and International Development Association (IDA) credit, grant, and guarantee proposals made by the President, and they decide on policies that guide the Bank's general operations. They are also responsible for presenting to the Board of Governors, at the Annual Meetings, an audit of accounts, an administrative budget, and an annual report (this report) on the Bank's operations and policies as well as other matters. In shaping Bank policy, the Board of Executive Directors (the Board) takes into account the evolving

perspectives of member countries on the role of the Bank Group as well as the Bank's operational experience. In this regard, an important role is played by the Operations Evaluation Department (OED), which is accountable directly to the Board to perform evaluations as set out in OED Board-approved policies, strategies, and work program. OED provides independent advice to the Board on the relevance, sustainability, efficiency, and effectiveness of operations.

During fiscal 2003 the Board regularly met at Bank headquarters to carry out its responsibilities. Directors also serve on one or more standing committees: Audit, Budget, Personnel, Development Effectiveness (CODE), and Committee on Executive Directors' Administrative Matters (CODAM). CODAM's mandate was expanded this year to include areas of governance, and it was renamed the Committee on Governance and Executive Directors' Administrative Matters (COGAM). The committees help the Board discharge its oversight responsibilities through comprehensive examinations of policies and practices. Specifically, the Audit Committee advises the Board

on financial management, corporate governance, and oversight issues to enhance Board decisionmaking in those areas. The Budget Committee considers certain aspects of business processes, administrative policies, standards, and budget issues that have a significant impact on the cost-effectiveness of Bank Group operations. CODE advises the Board on selected issues concerning operations and policy evaluation and development effectiveness with a view to monitoring progress toward the Bank's mission of poverty reduction. The Personnel Committee advises the Board on compensation and other significant personnel policies. COGAM advises and makes recommendations to the Board on issues of governance and administrative policy relating to the Executive Directors, Alternates, and their staff; the issues considered may be referred to COGAM by the Board or identified by the Committee itself. Among other issues this year, COGAM considered ways to strengthen the Executive Directors' offices that would enhance their voice and participation in the decisionmaking process of the World Bank Group.

Executive Directors and Alternate Executive Directors periodically visit borrowing countries to review Bank assistance in progress. They meet a wide range of people, including project managers, beneficiaries, and government officials, as well as representatives of non-governmental organizations, the business community, other development partners, financial institutions, and resident Bank staff. This year Directors visited the Dominican Republic, Uruguay, and the República Bolivariana de Venezuela.

Directors play an active role in preparing the agenda and issues papers for the semiannual meetings of the Joint World Bank–International Monetary Fund (Bank-Fund) Development Committee. Directors do this by reviewing, discussing, and providing input to staff who prepare the issues papers to be discussed by the Development Committee. In fiscal 2003 the Committee reaffirmed its commitment to poverty reduction, the Millennium Development Goals (MDGs), and the Monterrey Consensus by addressing the World Bank's strategy in monitoring policies and actions for achieving the goals; promoting market access for developing-country exports; making progress on the Monterrey Consensus; continuing the effort to harmonize the operational policies, procedures, and practices of multilateral and bilateral donors; and making progress on the Heavily Indebted Poor Countries (HIPC) Initiative, debt sustainability, assistance to low-income countries under stress, the Bank's safeguard

policies, and other issues. (See appendix 13 in volume 2 of this *Annual Report*.)

STRATEGIC ISSUES

The Board emphasized the following areas during the fiscal year.

Strategic Framework

The Board's work during fiscal 2003 continued to be based on the Strategic Framework and Strategic Directions (and Management Action Plan) papers discussed in fiscal 2001 and reaffirmed and updated in fiscal 2002. Directors stressed the need to move forward with implementation, focusing on developing the procedures and tools to meet the development challenges embodied in the MDGs. Within this context Directors reviewed a number of papers prepared to help the Bank sharpen its policies, programs, and instruments to support its central mission of reducing poverty. These papers included a strategy for better measuring, monitoring, and managing for development results and for the harmonization of operational policies, procedures, and practices among donors. Furthermore, the Board considered other issues, such as the Bank's role in the reconstruction of Iraq, the introduction of the grants component in the 13th Replenishment of IDA, OED's review of the HIPC Initiative, methods for combating terrorist financing and money laundering, and market access for exports from developing countries.

The Bank Group's Role in Reducing Poverty

The Board's agenda emphasized the Bank's contributions toward attaining the Millennium Development Goals. In that connection the Board reviewed the paper, "Achieving the MDGs and Related Outcomes: A Framework for Monitoring Policies and Actions." The Board also continued to closely monitor the implementation of the Bank's mandate to reduce poverty. It considered 15 Poverty Reduction Strategy Papers (PRSPs), and 7 PRSP Progress Reports, pointing out areas where further refinement would be useful.

Meanwhile, the Board focused attention on the enhanced HIPC Initiative. It considered two HIPC completion-point documents.¹ The Board also

1. The completion point is the point at which all creditors unconditionally provide the remainder of their share of debt relief agreed on at the decision point. The completion point is tied to implementation of key reforms and policies outlined in a country's PRSP.

considered a number of joint Bank-Fund papers, including “HIPC Initiative: Status of Implementation,” “HIPC Initiative: Creditor Participation Issues,” and “HIPC: Calculation for Completion Point Topping Up.” Moreover, the Board reviewed a progress report on the Bank’s poverty reduction activities in fiscal 2002.

Country Programs

Country Assistance Strategies (CASs) remained the cornerstone of Bank Group work at the individual client level, including the Comprehensive Development Framework principles of ownership, partnership, and a focus on results. Directors also intensified their call for a closer link between the assistance strategy and the PRSP process. The Board reviewed 24 CASs and CAS products during the fiscal year. It took an active role in ongoing work to refine the Bank’s lending and non-lending instruments and it provided guidance on the CAS retrospective and future directions, the implementation challenge of modernizing operational policies and instruments, and other pertinent topics. In the context of future directions for Country Assistance Strategies, and given the demands emerging from the results agenda and the often missing link between the CAS objectives and the instruments to be used in attaining those objectives, the Board called for future CASs to include intermediate outcomes and associated monitoring indicators so as to make the strategies more “results based” by enhancing their performance reporting and accountability. The Sri Lanka CAS was the first results-based CAS discussed this year.

Global Programs and Partnerships

The Bank Group continued to strengthen cooperation with the International Monetary Fund (IMF), other multilateral development banks, and the United Nations system as it increased its outreach to civil society. Directors considered priorities in relationships with other development partners. Collaboration with the IMF was especially prominent in the work on public expenditure review, financial sector assessment programs, and anti-money-laundering activities, as well as ongoing work on implementing HIPC and PRSP initiatives. This collaboration included a joint Bank-Fund paper on efforts to combat money laundering and the financing of terrorism, a joint paper on informal funds transfer systems, and a progress report on Bank-Fund collaboration on country programs and

conditionality. Other papers examined public expenditure work and reviewed both the Financial Sector Assessment Program and Reports on the Observance of Standards and Codes (ROSCs). The Bank also worked on implementing the Monterrey Consensus by reviewing the previously mentioned paper, “Achieving the MDGs and Related Development Outcomes: A Framework for Monitoring Policies and Actions,” and continued its work on the harmonization of operational policies, procedures, and practices with other multilateral development banks and bilateral aid agencies.

With regard to the ongoing review of the Bank’s policy on information disclosure, the Board discussed a paper on strengthening the Public Information Centers.

OVERSIGHT AND FIDUCIARY RESPONSIBILITY

The Board exercises oversight and fiduciary responsibility on behalf of its shareholders through its Audit Committee. The Audit Committee has reviewed its terms of reference to reflect the evolving scope and responsibilities of audit committees’ roles in oversight and risk management. The Committee advises the Board on financial management and other financial governance issues to strengthen the Board’s decision-making on financial policy and control issues.

OPENNESS AND TRANSPARENCY

Building on previous efforts to make more information publicly available, the 2001 revisions to the Bank policy on information disclosure called for the release of a greater number of project-related documents (including documents dealing with adjustment lending) and a more systematic approach to accessing historical information. (See *The World Bank Policy on Disclosure of Information, 2002*.)

To address the need for proactive outreach and targeted information dissemination, the Bank made plans in fiscal 2003 to improve access to information through its Public Information Centers in developing countries. In January 2003 the Board endorsed a Bank management paper titled “Strengthening Public Information Centers.” Implementation will span fiscal years 2004 and 2005. The Board also discussed a paper titled “A Document Translation Framework for the World Bank,” which takes into

account the scope of information available under the revised disclosure policy.

ADMINISTRATIVE BUDGET

The total administrative budget for fiscal 2003, reviewed by the Budget Committee and approved by the Executive Directors, was \$1,672.6 million, net of reimbursements, and it included \$157 million for the Development Grant Facility. The net administrative budget represented a 0 percent real increase over the fiscal 2002 budget (or a 3.1 percent nominal increase). In June 2003 the Executive Directors approved a total administrative budget, net of reimbursements, of \$1,870 million for fiscal 2004.

INSPECTION PANEL

In 1993 the Board created an independent Inspection Panel to address more closely the concerns of people affected by Bank projects and to ensure that the Bank adheres to its operational policies and procedures in the design, preparation, and implementation of projects. Any group of individuals that believes it may be harmed by a Bank-supported project may ask the Panel to investigate complaints that such harm stems from the Bank's failure to abide by its policies and procedures. On the basis of the Panel's recommendation, the Executive Directors decide whether to authorize an investigation.

In fiscal 2003 the Panel received and registered one new Request for Inspection related to the Cameroon portion of the Chad-Cameroon Petroleum Development and Pipeline Project and the Cameroon: Petroleum Environment Capacity Enhancement

Project. The request came from Cameroon non-governmental organizations and individual citizens. The Board approved the Panel's recommendation for an investigation in December 2002. The Panel's report, sent to the Board in May 2003, will be considered by the Board in July 2003, along with Bank management's recommendations on the Panel's findings.

Also in fiscal 2003 the Panel submitted to the Board its Eligibility Report on the Request for Inspection related to the Paraguay: Reform Project for the Water and Telecommunications Sectors, and the Argentina: SEGBAV Power Distribution Project (which provides partial financing for the Argentina/Paraguay: Yacyretá Hydroelectric Project). The Board approved the Panel's recommendation for an investigation in September 2002, and that investigation is currently under way.

The Board considered an investigation report on a Request for Inspection related to the Chadian portion of the Chad-Cameroon Petroleum Development and Pipeline Project (the request was received in fiscal 2001), and in September 2002 it approved Bank management's recommendations. In July 2003 the Board will consider the Panel's investigation report and management's recommendations on the India Coal Sector Environmental and Social Mitigation Project.

Twenty-seven Requests for Inspection have been filed since the Panel was established, 9 from Africa, 9 from Latin America and the Caribbean, 7 from South Asia, and 2 from East Asia and the Pacific. Of the 27 formal requests received, the Panel has recommended investigations in 13 cases, 6 under the rules that applied prior to the April 1999 clarifications to the resolution that established the Panel, and 7 since that time.

The World Bank Group

The World Bank Group, with a mission to fight poverty and improve living standards for people in the developing world, is among the world's leading development institutions. It provides loans, policy advice, technical assistance, and knowledge-sharing services. IBRD and IDA—together, the “World Bank”—are owned by member countries that carry ultimate decision-making power. The World Bank Group today consists of five closely associated institutions.



The International Bank for Reconstruction and Development

Established 1945 ■ 184 Members
Cumulative lending: \$383 billion
Fiscal 2003 lending: \$11.2 billion
for 99 new operations in 37 countries



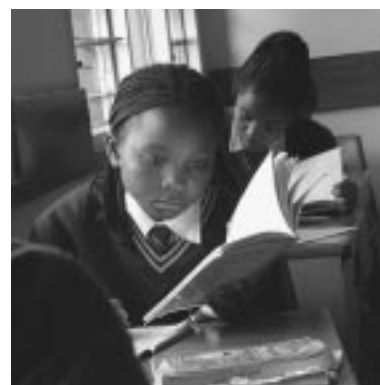
Since its first health, nutrition, and population loan in 1970, the Bank's activities in this sector have grown considerably. The Bank is now the single largest external source of such financing in low- and middle-income countries.

IBRD aims to reduce poverty in middle-income and creditworthy poorer countries by promoting sustainable development through loans, guarantees, and (nonlending) analytical and advisory services. IBRD does not maximize profit but has earned a net income each year since 1948. Its income funds several developmental activities and ensures financial strength, which enables low-cost borrowings in capital markets and good terms for its borrowing clients. IBRD's 24-member Board represents its 184 members and is made up of 5 appointed and 19 elected Executive Directors.



The International Development Association

Established 1960 ■ 164 Members
Cumulative commitments: \$142 billion
Fiscal 2003 commitments: \$7.3 billion
for 141 new operations in 55 countries



IDA financing helps countries to expand coverage and improve the quality of basic services in education, health care, clean water, and sanitation. IDA resources have enabled millions of children to benefit from access to primary education.

Contributions to IDA enable the World Bank to provide \$7 billion to \$8 billion a year in highly concessional financing to the world's 81 poorest countries (home to 2.5 billion people). IDA's interest-free credits and grants are vital because these countries have little or no capacity to borrow on market terms. In most of these countries, the great majority of people live on less than \$2 a day. IDA's resources help to support country-led Poverty Reduction Strategies in key policy areas, including helping to raise productivity, providing accountable governance, improving the private investment climate, and improving access to education and health care for the poor.



The International Finance Corporation

Established 1956 ■ 175 Members
Committed portfolio: \$23.4 billion (includes \$6.6 billion in syndicated loans)
Fiscal 2003 commitments: \$3.9 billion in 204 projects in 64 countries



IFC provided financing to Tecnofil in Peru to help the company upgrade its manufacturing processes for copper products.

IFC promotes economic development through the private sector. Working with business partners, IFC invests in sustainable private enterprises in developing countries without accepting government guarantees. It provides equity, long-term loans, loan guarantees, risk management products, and advisory services to its clients. IFC seeks to reach businesses in regions and countries that would otherwise have limited access to capital. It provides finance in markets deemed too risky by commercial investors in the absence of IFC participation and adds value to the projects it finances through its corporate governance, environmental, and social expertise.



The Multilateral Investment Guarantee Agency

Established 1988 ■ 162 Members
Cumulative Guarantees¹ Issued: \$12.4 billion
Fiscal 2003 guarantees issued: \$1.4 billion



MIGA's guarantee program supported this project, which involved a Singaporean investor transporting barge-mounted emergency power generators to northeastern Brazil, to alleviate severe electricity shortages resulting from drought.

MIGA helps encourage foreign direct investment in developing countries by providing guarantees to foreign investors against losses caused by noncommercial risks, such as expropriation, currency inconvertibility and transfer restrictions, war and civil disturbance, and breach of contract. In addition, MIGA provides technical assistance and advisory services to help countries strengthen the capacity of investment promotion intermediaries and disseminate information on investment opportunities. MIGA also provides investment dispute mediation services on request.

¹ Amounts include funds leveraged through the Cooperative Underwriting Program.



The International Centre for Settlement of Investment Disputes

Established 1966 ■ 139 Members
Total cases registered: 129
Fiscal 2003 cases registered: 26



A highway construction project is being arbitrated at ICSID.

ICSID helps encourage foreign investment by providing international facilities for conciliation and arbitration of investment disputes, thereby helping foster an atmosphere of mutual confidence between states and foreign investors. Many international agreements concerning investment refer to ICSID's arbitration facilities. ICSID also conducts research and publishing activities in the areas of arbitration law and foreign investment law.



Chapter 1

Strategy and Action

Strategy and Action

The World Bank consists of IBRD and IDA, international financial organizations whose common mission is to fight world poverty. The Bank comprises 184 shareholder countries. To assist its client countries in achieving sustainable development it harnesses resources and forms partnerships with others, including development lending institutions and civil society organizations (CSOs).

Development involves change. It requires learning about what works and what does not work in a particular circumstance, and then building the capacity for applying that knowledge throughout an economy. By taking what has been learned and using the available instruments and resources, the Bank can achieve outcomes that are appropriate to the challenges at hand. In its decades of experience, the Bank has recognized several common factors associated with overall progress in development. These factors—the basis for the Bank’s strategy—are the following:

- *An active state* with good governance in both the public and private sectors fosters an environment where contracts are enforced and markets can function; basic infrastructure works; there are



provisions for adequate health, education, and social protection; and people are able to participate in decisions that affect their lives.

- *Empowerment* ensures that all people have the ability to shape their own lives, by providing opportunity and security and by fostering effective participation and social inclusion.
- *Economic growth* is essential because countries that have reduced poverty most effectively are those that have grown the fastest. There has been no example of successful development without sustained periods of high per capita growth of output.
- It is necessary to have a vital *private sector* to drive sustained economic growth, with small and medium enterprises playing a particularly important role in generating employment opportunities for poor people.
- A *financial sector* policy that is rational and appropriate to the country is essential, as is the *removal of barriers to international trade* so that developing-country exports can contribute to growth.
- Finally, the country and society need to have *ownership of the development agenda* to reflect the country’s specific circumstances and political economy.

TWO PILLARS FOR POVERTY REDUCTION

Recognition of those factors has led the Bank to adopt a strategy for development built on two pillars, which are described below.

Building the Climate for Investment, Jobs, and Sustainable Growth

The first pillar is creating a good investment climate that fosters entrepreneurship by encouraging small and large firms to invest, create jobs, and



increase productivity. This pillar comprises several elements:

- *Stable macroeconomic conditions* that promote the confidence of firms to make production decisions and engage in production; and *trade policies* that foster open trade, innovation, and entrepreneurship
- *Governance and institutions* that are without corruption, excessive bureaucracy, or organized crime, and where the enforcement of contracts and regulations is known to be ethical and reliable
- *Physical and financial infrastructure* (e.g., transportation systems, utilities, and banking systems) of good quality and quantity, both affordable and reliable, so that individuals and firms can participate in economic activities.

Investing in Poor People and Empowering Them to Participate in Development

It is important to expand the opportunities for people to participate in decisions that affect their lives and the lives of their families. This is the second pillar in the Bank's development strategy. Essential are human and legal rights that protect livelihoods and assets and enable poor people to invest in their futures and be included in the society in which they live.

Although there is still much to learn about empowerment, the Bank's studies and project experience indicate that successful efforts to empower poor people and increase their freedom of choice share four elements: *access to information*, so that poor people can make informed decisions; *participation*, which gives poor people a voice in public programs; *accountability*, which ensures that public officials and institutions are

responsive to their citizens; and *local organizational capacity*, so that public institutions run effectively. These elements help foster an informed populace capable of contributing to its country's development plans.

There is an essential link between empowering poor people and attaining the Millennium Development Goals (MDGs). To meet the education, gender equality, health, and environment goals, in particular, investment in people is key. Empowering people to have an impact on the local delivery of services can pave the way toward meeting the MDGs. Examples of such empowerment at work include community involvement in running schools, local health groups, and water users' associations. All of these activities can play a powerful role in tailoring such services to the needs of poor people and thereby improving their lives.

In many communities, *empowering women* is the most important challenge. Empirical evidence shows that expanding opportunities for girls and women not only improves their position in society but also has a major impact on the overall effectiveness of development. Studies show that education of mothers has a powerful effect on the health of their children. Also, when women have more control over the family's income, productive assets, or transfers, the family as a whole benefits.

The Bank's Strategy and the Multisectoral Nature of the Millennium Development Goals

The twin pillars of the Bank's strategic framework are critical to success in achieving sustainable poverty reduction and helping countries meet the goals. Different groups of client countries have different needs. Working with the Bank on the MDGs is the priority in most low-income countries, whereas middle-income clients more often seek to work with the Bank on building the investment climate.

During fiscal 2003 the Bank analyzed its regional strategies and country demands and examined its capacity and limitations against the needs of the development goals. It recognized that a multisector chain of activities is needed to meet the goals. The Bank is now moving to align its programs to support activities that go beyond strictly defined sectors such as health, education, and environment. For example, although infrastructure is not explicitly mentioned in the MDGs, infrastructure investments are crucial to attaining the goals. Roads and electricity are essential to building

THE MILLENNIUM DEVELOPMENT GOALS

THE MDGS ARE THE FRAME OF REFERENCE FOR THE BANK'S WORK, IN PARTNERSHIP WITH OTHER INTERNATIONAL INSTITUTIONS. THE MDGS ARE A SET OF GOALS WITH SPECIFIC TARGETS FOR POVERTY REDUCTION TO BE ACHIEVED BETWEEN 1990 AND 2015, AND THEY REPRESENT AN UNPRECEDENTED LEVEL OF WORLD CONSENSUS ON WHAT IS NEEDED FOR SUSTAINABLE POVERTY REDUCTION.



1.

ERADICATE EXTREME POVERTY AND HUNGER

Halve the number of people in extreme poverty, and the number of people who suffer from hunger, by 2015



2.

ACHIEVE UNIVERSAL PRIMARY EDUCATION

Ensure by 2015 that all children will be able to complete a full course of primary schooling



3.

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Eliminate gender disparity in primary and secondary education by 2005, and in all levels of education by 2015



4.

REDUCE CHILD MORTALITY

Reduce by two-thirds the under-five mortality rate by 2015

proper schools so that a country can achieve universal primary education; and they are essential to building health care facilities so that child mortality can be reduced, maternal health can be improved, and communicable diseases such as HIV/AIDS can be treated. The involvement of poor people in identifying their countries' infrastructure needs also is vital.

The Bank's own contribution to achieving any specific development goal must be identified realistically, taking into account the demands of Bank clients, their options to work with other partners, and the limitations of Bank financing and staff capacity. The Bank recognizes that gaps also exist in the wider development community—in both funding and capacity—that impede overall progress toward the MDGs. The compact between developing and developed countries can play an important role in addressing those gaps. To better define its own contribution the Bank has examined the alignment between its

potential commitments and its client-driven work programs, and discussions have been intensified among networks, country directors, and clients to enhance this alignment. That examination is helping clarify what the Bank can contribute to the MDG agenda. It is clear that some of the goals are unlikely to be achieved in certain countries without a major effort by developing countries, developed countries, and the entire development community. The Bank seeks to energize a concerted focus on these countries both through the Poverty Reduction Strategy Paper (PRSP) approach for country-owned poverty strategies and through its monitoring reports to the Development Committee (DC).

Monitoring Policies and Actions toward the Millennium Development Goals

The DC, at its meeting in September 2002, stated its intention to regularly monitor developing- and

THE THEMES EMBEDDED IN THE MDGS ARE NOT NEW FOR THE BANK. THE FIRST OF THE GOALS—POVERTY REDUCTION—HAS BEEN THE BANK'S OVERARCHING OBJECTIVE FOR MANY YEARS. THE NEWNESS OF THE GOALS LIES IN THEIR FOCUS ON OUTCOMES, ON QUANTITATIVE AND TIME-BOUND DEVELOPMENT TARGETS, AND ON DEVELOPED-COUNTRY OBLIGATIONS IN A GLOBAL PARTNERSHIP FOR DEVELOPMENT.



5. IMPROVE MATERNAL HEALTH
Reduce by three-quarters the maternal mortality rate by 2015



6. COMBAT HIV/AIDS, MALARIA, AND OTHER DISEASES
Halt the spread of HIV/AIDS, malaria, and other major diseases, and begin to reverse the spread, by 2015



7. ENSURE ENVIRONMENTAL SUSTAINABILITY
Halve the proportion of people without sustainable access to drinking water by 2015



8. DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT
Further develop an open, rule-based, predictable, nondiscriminatory trading and financial system

developed-country policies and actions needed to achieve the MDGs and related outcomes. It requested that the Bank and the Fund develop proposals for taking this forward, while recognizing the role of the United Nations (U.N.) in monitoring the goals. In response to the DC request, Bank and Fund staff, working in consultation with the staff of the U.N., other multilateral development banks (MDBs), the World Trade Organization (WTO), and the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), have designed a monitoring framework and carried out an initial application of that framework.

The proposed monitoring envisages regular reporting to the DC to anchor and provide continuity to its assessment of progress on policy implementation and areas for priority attention. Underpinning the reporting will be an open data platform, posted on

the Development Gateway (see box 1.2), which is designed to facilitate transparent monitoring and enable countries to benchmark their performance vis-à-vis comparators. This monitoring also will help ensure that development partners live up to the commitments they make toward attaining the MDGs. The monitoring proposals were submitted to the April 2003 meeting of the DC, and they received broad support from ministers. In light of the guidance provided by the ministers, the Bank and the Fund, in collaboration with partner agencies, are now implementing the monitoring framework.

Results

An essential building block for effective monitoring is the ability to measure results. During fiscal 2003 the Bank developed its results agenda into an action plan aimed at increasing management attention to

results. See chapter 3 for a full discussion of the results agenda.

PARTNERSHIPS: INCREASING THE IMPACT OF DEVELOPMENT EFFORTS

Partnership has become a core element of the Bank's business approach. By working with partners in the international community to identify the areas in which each has a comparative advantage, the effect of each development dollar can be magnified. With careful attention to what does and does not work in a particular situation, proven approaches can be brought together and appropriate projects carried out to produce better results. At the same time, the growing importance of partnerships in the Bank's work makes it important to ensure strong alignment of new partnerships with the Bank's strategic priorities and with country-driven development strategies.

Institutional Partnerships

The Bank partners with other international institutions such as the International Monetary Fund (IMF), the U.N., other multilateral development banks, OECD, the European Union (EU), and the WTO.

International Monetary Fund. The Bank's foremost institutional alliance is with the IMF, with which it collaborates on a number of initiatives aimed at reducing poverty. The Bank and the IMF further strengthened their collaboration in fiscal 2003. Each organization concentrates on its area of comparative advantage: the IMF is responsible for the dialogue with country authorities on macroeconomic issues, and the World Bank takes the lead on social and structural issues.

In addition to the continuous delivery of debt relief to eligible countries under the Heavily Indebted Poor Countries Initiative (HIPC), the executive boards of the two institutions approved the achievement of completion-point status for two HIPC countries during fiscal 2003. The Bank's Executive Directors also reviewed "Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality—Progress Report."

Under the PRSP framework for low-income countries supported by the Fund's Poverty Reduction and Growth Facility, the Fund and the Bank worked closely

together in fiscal 2003 to support common country strategies and to focus their efforts on their respective areas of responsibility. For middle-income countries, greater efforts were made to improve coordination between the Fund and the Bank through consultation between the two staffs on emerging structural issues in individual country programs.

Two other joint programs of the Bank and the Fund are the Financial Sector Assessment Program and the Reports on the Observance of Standards and Codes (ROSC) initiative. In March 2003 the Bank and Fund Boards reviewed joint Bank-Fund papers and discussed the two programs.

United Nations. The Bank and the U.N. are committed to carrying out the universally accepted framework for development established by the international community. The Bank has established strong relationships with the specialized agencies, programs, and funds of the U.N. system.

In fiscal 2003 the Bank-U.N. partnership advanced in its commitment to a coordinated approach that supports country efforts in creating poverty reduction strategies. This has involved identifying complementarities between the MDGs and the PRSP process. The Bank and the United Nations Development Group have maintained an open dialogue on the harmonization of policies, procedures, and practices (see box 1.1). Attention is now being placed on better development effectiveness and deeper country ownership.

The Bank has supported the parallel process taking place at the intergovernmental level. In the 2002 meetings of the Bank's Development Committee, ministers called for a focus on the global monitoring of actions and policies to achieve the MDGs. Many of the Bank's senior managers are involved in the ongoing dialogue on these issues between the U.N. and the Bank, a dialogue that strengthens the understanding of respective roles and responsibilities in carrying out the development agenda.

The increasingly complex political, social, economic, and international dimensions of conflict adversely affect the ability of countries to work toward the MDGs. The U.N. and the Bank, in close partnership, are pursuing ways to strengthen cooperation among themselves and other key stakeholders during conflict emergencies and all phases of postconflict reconstruction.

BOX 1.1 HARMONIZATION

Following an MDB-hosted roundtable on measuring, monitoring, and managing for development results, multilateral development banks have continued consultations on development results. In February 2003 the MDBs and OECD/DAC cosponsored an international forum on the harmonization of policies, procedures, and practices to increase development effectiveness. The bulk of the international donor community (bilateral and multilateral) and almost 30 developing countries came together at a very senior level for the conference, which was hosted in Rome by the Italian government. The closing document, “The Rome Declaration on Harmonization,” is the most comprehensive statement on harmonization produced to date by the international community. (See www.worldbank.org.) The Declaration sets out an ambitious program of activities to ensure that harmonization efforts are adapted to the country context and that donor assistance is aligned with the recipient’s priorities; to expand country-led efforts to streamline donor procedures and practices, including enhancing demand-driven technical cooperation; to review and identify ways to adapt institutions’ and countries’ policies, procedures, and practices to ease harmonization;

and to implement progressively the principles and standards of good development practice formulated by the MDBs and by the OECD/DAC as the foundation for harmonization of the policies, procedures, and practices of donors and partner countries.

Significant progress also has been made in the preparation of agreed-on principles or standards for environmental assessments, evaluations, financial management and reporting, and procurement. These are key international reference documents for harmonization at the country level. Coordination of operational activities, primarily around PRSPs, has also improved, including increased coordination of Country Assistance Strategies (CASs).

The harmonization focus has now shifted to in-country implementation. Building on efforts in the three formal harmonization pilot projects supported by the bank (in Ethiopia, Jamaica, and Vietnam), 14 additional partner countries have stepped forward to initiate country-led harmonization efforts (Bangladesh, Bolivia, Cambodia, Honduras, Kenya, the Kyrgyz Republic, Morocco, Nicaragua, Niger, the Pacific Islands, the Philippines, Senegal, Tanzania, and Zambia).

Multilateral Development Banks. The Bank’s collaboration with other multilateral development banks, such as the African Development Bank (see www.AfDB.org), the Asian Development Bank (see www.ADB.org), the Inter-American Development Bank (see www.IADB.org), the European Bank for Reconstruction and Development (see www.EBRD.com), and the Islamic Development Bank (see www.ISDB.org), remained strong and intensified significantly in several areas, as highlighted in the jointly produced report, “Recent Progress in Cooperation among Multilateral Development Banks.”

Building on their joint statement on development effectiveness issued at the Monterrey International Conference on Financing for Development in 2002, the presidents of the MDBs maintained their regular consultations on policy and operational issues, with a particular focus on global and regional uncertainties facing various MDBs, and on further strengthening the MDB system. To inform MDB shareholders of

the considerable progress made in cooperation in recent years, they circulated an “Update on Progress in MDB Cooperation” to all MDB boards and governors. On International Women’s Day the MDB presidents and the managing director of the IMF issued a joint statement on the importance of gender equality in MDB-IMF operations and within the organizations.

Organisation for Economic Co-operation and Development and Its Development Assistance Committee. The Bank’s partnership with OECD accelerated in May 2000 when the heads of the two institutions signed a joint statement of cooperation. Since that time the two institutions have established clear focal points for proactive collaboration.

The Bank and OECD work together on the OECD/DAC agenda, aligning donor support for the Comprehensive Development Framework and PRSPs, sharpening the focus on results, improving harmonization of donor policies and practices, and dealing

with the problems of low-income countries under stress.

A systematic effort has been under way to strengthen collaboration on the non-DAC agenda as well. Priorities include governance and public sector management, tax policy and administration, trade, corporate governance, sustainable development, agriculture, and the knowledge economy. The Bank and OECD together with the IMF also have launched an International Tax Dialogue aimed at sharing experience and fostering multilateral communication on tax systems.

In addition to work in these areas, the Bank is collaborating with OECD in countries where both institutions are active. This collaboration includes developing countries that are members of OECD, such as Mexico and Turkey, the EU accession countries, and nonmember countries that are the special focus of OECD: Brazil, China, and Russia. These efforts have allowed the Bank and OECD to avoid duplication and gain synergy from their respective work.

European Union. The European Union is a natural partner for the World Bank Group. Its multilateral aid program, managed by the European Commission, is the world's third largest.

The EU provides 55 percent of the total official development assistance in the world—more than \$26 billion in 2001—and is the developing world's most important trading partner, absorbing 21 percent of its exports and extending preferential arrangements to developing regions. Expected to take in 10 new member states—or 100 million more people—in 2004, the EU works toward political and economic reform and poverty reduction in the world, especially in neighboring regions such as the Middle East and North Africa, with which it has active trade, investment, and migration links.

Collaboration between the EU and the World Bank Group has expanded on many fronts in recent years, including the PRSP process, the HIPC Initiative, post-conflict reconstruction in the Balkans and Afghanistan, and the Strategic Partnership with Africa, as well as in policy dialogue on trade and development.

World Trade Organization. Strengthening the Bank's capacity on trade and establishing the new Trade Department has enabled an expanded partnership with the WTO, based on the shared objectives of open trade and development. An initial visit to the WTO by the

president of the World Bank led to the preparation of a strategy for institutional collaboration, which focuses on (a) cooperation in the sharing of policy research and knowledge; (b) joint work in implementing the Integrated Framework for Technical Assistance for the Least-Developed Countries; (c) cooperation in the delivery of trade training and capacity building by the World Bank Institute (WBI) and the WTO; and (d) cooperation in promoting a stronger global dialogue on trade and development.

Global Civil Society

Beyond institutional partnerships the Bank interacts with the broader international civil society, private foundations, parliamentarians, and the private sector.

Civil Society. The emergence and growth of civil society during the past two decades have been two of the most significant trends in international development. The World Bank recognizes that civil society plays an especially critical role in ensuring that the voices of the poorest people are heard, holding governments and policymakers accountable, and improving development effectiveness and sustainability. At present the Bank consults and collaborates with thousands of CSOs throughout the world, including community-based organizations, indigenous peoples' organizations, labor unions, faith-based groups, and foundations.

The World Bank engages CSOs in three ways. First, it *facilitates* dialogue and partnership between civil society and governments by providing resources, training, and technical support, and often by playing a convening role, such as in the process of formulation of the country PRSPs now under way in more than 40 developing countries. Second, the Bank *consults* with CSOs on issues, policies, and programs, listening to their perspectives and inviting suggestions. During fiscal 2003 the Bank held global consultations with civil society on adjustment lending policy and extractive industry investments, as well as on the forthcoming *World Development Report 2004* on basic service provision. Third, the Bank *partners* with CSOs by contracting technical assistance and training services, funding civil society initiatives, and managing joint programs. The Africa Stockpiles Programme, for example, was recently launched by governments, CSOs, and donor agencies to clean up and safely dispose of all obsolete pesticide stocks from Africa, and to establish preventive measures to avoid future accumulation.

BOX 1.2 THE DEVELOPMENT GATEWAY FOUNDATION

The foundation's mission is to reduce poverty and support sustainable development through the use of information and communication technologies. As a founding member, the World Bank Group is represented on the foundation's board by President James D. Wolfensohn, Managing Director Mamphela Ramphele, and Mohamed Muhsin, vice president and chief information officer. Alan Rossi was appointed chief executive officer in December 2002.

The foundation's key objectives are to:

- *Improve public sector transparency.* To foster government transparency and efficiency, the global online dgMarket provides turnkey e-tendering solutions to partners and governments in developing countries. The foundation and the government of Italy have established an e-government program to deploy promising e-government applications rapidly.
- *Enable aid effectiveness.* The AiDA (Accessible Information on Development Activities) database is the largest online source of information on

development projects in the world. The foundation's Development Gateway portal addresses pressing global issues by providing a platform to exchange ideas and coordinate activities.

- *Increase knowledge sharing.* The Development Gateway portal is the preeminent source for resources on sustainable development and poverty reduction. To promote the exchange of information, the portal builds interactive communities around key development topics. The foundation's annual Development Gateway Forum brings global leaders together to share experiences and improve development impact.
- *Empower local communities.* The 44 country gateways in the foundation's network are locally owned, partnership-based initiatives that pursue the foundation's mission on a local level. The Development Gateway portal can provide platforms for dialogue among local organizations. The dgMarket includes national procurement portals in local languages, offering tender opportunities that may be of interest to local suppliers.

CSO involvement in Bank-funded projects has risen steadily during the past decade-plus, from 21 percent of the total number of projects in fiscal 1990 to an estimated 71 percent in fiscal 2003.

The Bank's evolving partnerships with faith communities have continued to expand and deepen across a broad range of issues, including HIV/AIDS, education, health, conflict resolution, and gender. The Bank maintains ongoing dialogue with a worldwide network of faith and interfaith leaders, including the World Faiths Development Dialogue (www.wfdd.org.uk), the World Council of Churches, and the World Conference on Religion and Peace. In October 2002 the president of the World Bank and the Archbishop of Canterbury convened a meeting of world faith and development leaders in Canterbury, England, to discuss the challenges of poverty, globalization, and social justice, with a particular emphasis on the MDGs. It attracted a diverse group of leaders from development agencies, the world's major faiths, business, foundations, and the arts.

Civil society dialogue and relations with the international labor union movement have improved steadily over the last few years. The Bank and the IMF

agreed this year to a joint work plan with the International Confederation of Free Trade Unions and the World Confederation of Labour, which included a meeting of senior Bank and Fund managers and labor leaders in October 2002, joint research projects, and staff exchanges. (See www.worldbank.org/civilsociety.)

Foundations. The Bank works in partnership with foundations to strengthen the development impact of assistance in member countries. Such partnerships help mobilize external technical and financial resources and identify business process innovations, thereby strengthening the Bank's learning process. (See also box 1.2, "The Development Gateway Foundation.")

At local levels, the Bank's partnership with foundations, such as Ford, Gulbenkian, Hewlett, MacArthur, Mott, Packard, Rockefeller, Soros, and Eurasia, is helping promote the PRSP process, supporting thematic initiatives that complement the MDGs, and sponsoring CSO participation in such Bank consultations as the *World Development Report*. A new initiative with the Ford and Mott Foundations and the Council on Foundations will explore the concept of community

foundations as a vehicle for building the capacity for community-driven development in Bank client countries.

At the regional and global levels, the Bill and Melinda Gates Foundation, Rotary International, the United Nations Foundation, and the World Bank are sponsoring an innovative financial effort to acquire polio vaccine through buy-down loans in order to help eradicate polio worldwide by 2005. (See also “Fiscal Year Highlights,” chapter 2, and “Investing in People,” chapter 4.)

Parliamentarians. The Parliamentary Network on the World Bank (PNoWB) is an independent organization of more than 400 parliamentarians from approximately 60 developed and developing countries. Created in 2000 by a small group of European parliamentarians, its purpose is to increase their role in international development and poverty alleviation. The PNoWB’s many initiatives include a Parliamentarians’ Implementation Watch to promote and monitor action to meet the MDGs, a program of field visits, and the creation of a special committee on HIV/AIDS. Its annual meeting has become a major platform for interaction on development issues among the parliamentarians themselves and between parliamentarians and the Bank. (See www.pnowb.org.)

Private Sector. Increasing numbers of private businesses are engaging in corporate social responsibility—open and transparent business practices that meet or exceed the ethical, legal, commercial, and public expectations of society. This trend coincides with the World Bank Group’s increasing focus on its relationships with the private sector, as it does what it can to make private flows bigger, better, and of greater benefit to the poor. Units across the World Bank Group are implementing private sector partnership approaches designed to maximize development gain while acknowledging participating companies’ needs to maximize their own business benefits. The most successful of these approaches are not stand-alone activities; rather, they build partnerships into World Bank Group global and regional programs or country-based activities. This stronger link to core operational business, along with tighter alignment and focus between partner objectives, enhance both development impact and business benefit.

For example, in Angola the World Bank Group is exploring the alignment between local content, revenue transparency, and social development activities in the oil sector, and public sector priorities for postwar Angola. This is a joint project between the Angola country team, the Fundo de Apoio Social, the Bank Group’s Oil and Gas division, and the Bank’s Corporate Social Responsibility Practice. The World Bank Group is working with civil society, the major national oil companies and multinational organizations active in Angola, and the Angolan ministries of petroleum and planning.

Global Partnerships in Action

Global programs complement the Bank’s country assistance activities. These programs respond to new and emerging challenges such as environmental degradation, the spread of communicable diseases, financial instability, and international insecurity. They require concerted international action as a vital complement to policies at the national and local levels. Global programs cut across all client groups and are a critical part of Bank operations. Consistent with its mandate, the Bank participates in global programs and partnerships where global action can complement and reinforce country programs and where the Bank can work with partners to provide public goods that cannot be generated at the country level alone. To augment this effort the Bank is active in country programs that are the essential complement to global action. Communicable disease is an outstanding example, with programs in HIV/AIDS, malaria, tuberculosis (TB), and polio under way in many countries, thereby reinforcing global efforts. The Bank is involved as founding member, financier, administrator, or participant in 70 global programs, the majority of which are less than 5 years old, although 12 of the 70 are 10 to 30 years old.

Examples of the Bank’s partnerships in action include the Consultative Group on International Agricultural Research (CGIAR), energy partnerships, the Global Environment Facility (GEF), and other environment partnerships; and global efforts in health, nutrition, and population; knowledge networks; and urban development.

Agricultural Research. The CGIAR is a strategic alliance of countries, international and regional organizations, and private foundations supporting 16 international agricultural research centers that work with national

agricultural research systems, the private sector, and civil society. The alliance mobilizes agricultural science to reduce poverty, foster human well-being, promote agricultural growth, and protect the environment. CGIAR scientists develop improved technologies in every critical component of the agricultural sector, including agroforestry, biodiversity, food, forage and tree crops, fisheries, forestry, livestock, and food policies, and they strengthen agricultural research services. The benefits of such public goods research are significant: CGIAR scientists are providing seeds and technical assistance for rehabilitating agriculture in Afghanistan, the New Rices for Africa (NERICA) program is boosting agricultural production and farmer incomes in Sub-Saharan Africa, and new techniques are increasing rice and fish production in Asia. Innovative “Challenge Programs” are helping tackle micronutrient deficiencies, water scarcity, and other problems of global significance. CGIAR scientists have won the World Food Prize three years in a row. (See www.cgiar.org.) In fiscal 2003 the Operations Evaluation Department delivered to the Board a special report on the CGIAR, the findings of which are discussed in chapter 3.

Energy. The Bank’s Global Gas Flaring Reduction Partnership has visited client countries and company stakeholders to discuss details of their cooperation and to identify practical and economic solutions that would overcome the barriers currently inhibiting investments in flaring reduction. The first steering committee meeting, which was held in December 2002, approved a three-year work program and budget.

The original partnership formed by the Bank, Shell, BP, Sonatrach of Algeria, and the governments of Ecuador, Nigeria, and Norway has since been joined by the governments of Angola, Cameroon, and the United States, as well as by ChevronTexaco and TotalFinaElf.

The Global Village Energy Partnership works to increase delivery of modern energy services to those who are unserved or underserved. The partnership is managed by the Energy Sector Management Assistance Programme, a joint program of the United Nations Development Programme (UNDP) and the World Bank. Currently 150 organizations have committed to the partnership’s Statement of Principles. They range from BP Solar to the United Republic of Tanzania and represent a wide range of stakeholders involved in modern energy service delivery. In fiscal 2003 the



An important goal of the Bank’s Environment Network is to ensure that actions taken today to promote development and reduce poverty do not result in environmental degradation and greater poverty tomorrow.

partnership’s technical secretariat coordinated regional energy-poverty workshops in Addis Ababa and Dakar, which involved 13 different country delegations, and it is planning follow-up workshops in Ghana, Tanzania, Uganda, and Zambia to develop and coordinate further strategies to increase access.

Environment. The World Bank plays a key role in the success of the GEF, a dynamic partnership that channels multilateral funds to developing countries for projects that have local and global partnership benefits. GEF supports efforts to conserve biodiversity, reduce the risks of climate change, protect the ozone layer, clean up international waters, combat land degradation, and phase out toxic organic pollutants.

Since its creation in 1991, GEF has produced impressive results that address key global environmental problems—for example, significantly reducing ozone-depleting substances in Eastern Europe and Central Asia, combating deforestation and desertification in Sub-Saharan Africa, and bringing renewable energy to people in developing countries who live far from existing power grids.

As one of three GEF-implementing agencies, the Bank helps its client countries prepare and supervise GEF projects. More than 370 Bank-GEF projects, including some joint projects with other implementing agencies, are being carried out in 129 countries. The

projects are financed by \$2.7 billion in GEF grants and more than \$12.2 billion in additional funding from public and private partners. The Bank's GEF Secretariat plays a key role in managing Bank-GEF projects.

The Bank also serves as the trustee of the GEF Trust Fund and provides administrative support for the GEF Secretariat. (See www.theGEF.org or www.worldbank.org/gef.)

The Trust Fund for Environmentally and Socially Sustainable Development (www.worldbank.org/tfessd) is a new type of partnership between the participating donors and the Bank. It provides grant resources for World Bank activities that incorporate the environmental, social, and poverty dimensions of sustainable development in their project design.

The World Bank launched a new carbon fund in fiscal 2003 at the World Summit on Sustainable Development: the Community Development Carbon Fund (www.communitycarbonfund.org), a partnership between the World Bank and the International Emissions Trading Association that is expected to raise \$100 million. This collaboration will provide financing for reducing greenhouse gas emissions in projects such as small-scale and rural renewable energy, energy efficiency, solid-waste-to-energy conversion, and agroforestry in developing countries. The effort will complement the Prototype Carbon Fund (www.prototypecarbonfund.org).

Health, Nutrition, and Population. Partnerships are key to achieving the health, nutrition, and population-related MDGs. Reducing child mortality is central to the Global Alliance for Vaccines and Immunization, which administers \$12 billion reaching 64 countries to increase access to vaccines. The Global Alliance for Improved Nutrition works to reduce micronutrient deficiencies. Improved maternal health is fundamental to partnerships such as the Nutrition and Gender Initiative, which emphasizes improved nutrition outcomes throughout the life cycle, and the Human Reproduction Program, a 30-year effort to help ensure the safety of widely used contraceptives. Finally, because reliable data are essential for monitoring MDG achievements, partnerships such as INDEPTH (the international network of field sites in developing countries that performs continuous demographic evaluations of populations and their health) are helping improve the availability and flow of information about disease and health, including nutrition and reproductive health, to policymakers and others.

The Bank is playing a key role in shaping the global response to the HIV/AIDS epidemic as one of eight cosponsors of the Joint United Nations Programme on HIV/AIDS. During fiscal 2002–03 the World Bank chaired the group's Committee of Cosponsoring Organizations. The Bank is actively working with these cosponsors, national governments, and others to improve the quality of monitoring and evaluation of AIDS-related projects and programs at the country level. (See www.worldbank.org/hivaids.)

Working with private sector partners, the Bank is helping to accelerate and improve access to drug treatment for people with HIV through such mechanisms as the International Treatment Access Coalition. (See www.who.int.)

The Bank has been an active partner in establishing the Global Fund to Fight AIDS, Tuberculosis, and Malaria. (See www.globalfundatm.org.) The fund is an independent public-private partnership, which so far has committed \$1.5 billion to the fight against those three diseases. The Bank continues to be involved in two other long-standing partnerships: Stop TB and Roll Back Malaria.

Together with UNDP and the World Health Organization, the Bank supports development of improved tools for control of other communicable diseases, such as leprosy and schistosomiasis, through the Tropical Disease Research Program.

Knowledge Networks. The World Bank Institute works with an alliance of partner organizations that provide funding, content, and training facilities to support knowledge networks that enhance the capacity of countries to carry out development projects. Increasingly, donor partners such as the governments of Belgium, Canada, Finland, Ireland, Italy, the Netherlands, Spain, and Switzerland are making multiyear financial commitments and offering innovative means of support (see box 1.3, "Switzerland and the World Bank Institute: Partners in Enhancing Capacity"). Partnership arrangements strengthen the impact of our capacity-building efforts. WBI now has formal partnership agreements with more than 115 organizations and informal agreements with some 250 more.

Urban Development. The Cities Alliance is a global partnership of cities and their development partners. Launched by the World Bank and the United Nations

BOX 1.3 SWITZERLAND AND THE WORLD BANK INSTITUTE: PARTNERS IN ENHANCING CAPACITY

The Swiss Agency for Development and Cooperation and WBI have formed a partnership for capacity enhancement that enables WBI to draw on the comparative advantages of the agency and on Swiss technical institutions through a three-year commitment of SFr 3.5 million to support fiscal decentralization, sustainable development, and community empowerment. WBI draws on the expertise of the agency's counterparts in Switzerland and in its field offices, and on the capabilities of Swiss universities and CSOs.

Human Settlements Programme (UN-HABITAT) in 1999, the Cities Alliance now has 18 members, including all Group of Seven countries, the Netherlands, Norway, Sweden, the four international associations of organized local government, the United Nations Environment Programme, and the Asian Development Bank.

The alliance has focused on two areas: first, supporting comprehensive city development strategies for cities that wish to fundamentally reassess the way they do business and, second, providing support to cities and countries undertaking citywide and nationwide programs to upgrade slums. One of the Cities Alliance's first products was the Cities Without Slums action plan. The Alliance undertakes its work through its members and is supported by a small secretariat based at the World Bank.

ACTION ON COUNTRY PRIORITIES

In carrying out its strategy the Bank tailors its approach to each country's particular needs. The CAS is centered on the country's vision for development, a good diagnosis of the policies proposed, a Bank program to support the vision, and a focus on results. (See box 1.4, "Comprehensive Development Framework.") This translates into specific approaches for low-income countries, low-income countries under stress, and middle-income countries.

Country Assistance Strategies

Building on and incorporating existing country knowledge, the CAS is the business plan that guides Bank Group activities in a client country. Prepared in

consultation with the government, CSOs, development partners, and other stakeholders, the CAS sets out a program of lending and of knowledge and advisory services linked to the country's development strategy as defined in a PRSP, a Comprehensive Development Framework, or other country-owned process.

During fiscal 2003 the Bank aligned its CASs for IDA-borrowing countries with those countries' PRSPs. CASs for Azerbaijan, Ethiopia, The Gambia, Guinea, Guyana, Honduras, the Kyrgyz Republic, Malawi, Nicaragua, Niger, Rwanda, Senegal, Sri Lanka, Tajikistan, Vietnam, and the Republic of Yemen followed this model. Also in fiscal 2003 the Bank introduced a new CAS product, the Country Re-engagement Note (CRN), to support work in low-income countries under stress (LICUS).

In fiscal 2003 the Board discussed 41 CAS products, including a Country Brief/CRN for Haiti, a CRN for Somalia, and 4 transitional support strategies for post-conflict countries, including Afghanistan, Angola, Kosovo, and Serbia and Montenegro (formerly the Federal Republic of Yugoslavia). In fiscal 2003 the Bank prepared 15 CAS documents jointly with the International Finance Corporation (IFC). All of the fiscal 2003 CAS products have been, or are in the process of being, disclosed.

The third CAS Retrospective, completed in fiscal 2003, focused on improving the results orientation of the CAS. The challenge will be to substantially strengthen the monitoring and evaluation frameworks so that the country governments and the Bank can assess periodically the progress made in carrying out the strategy, ultimately measuring the results achieved. To this end, in fiscal 2003 the Board discussed the first pilot of a results-based CAS, for the government of Sri Lanka. Pilot projects are introducing the CAS completion report, a CAS annex that presents a comprehensive self-evaluation to be reviewed by the Bank's Operations Evaluation Department that assesses the extent to which results were achieved under the previous CAS and draws lessons for the next strategy. An assessment of experience with pilot results-based CASs is expected to be carried out in fiscal 2004.

Low-Income Countries

Carrying out the Bank's two-pillar strategy in low-income countries, where the vast majority of the world's poorest people live, presents special challenges. The investment climate in these countries may not be conducive to sustainable growth. Limited institutional,

BOX 1.4 COMPREHENSIVE DEVELOPMENT FRAMEWORK—THE BASIS FOR THE BANK GROUP'S WORK

The Comprehensive Development Framework (CDF) forms the basis for the Bank Group's work in all countries. In low-income countries, CDF principles serve as the foundation for the country's PRSP. The CDF fosters more effective and sustained poverty reduction at the country level, based on four key inter-related principles: a long-term holistic development agenda; broad-based country ownership by which countries identify priorities; a much stronger country-based partnership among government, civil society, the private sector, and donors in implementing the country's strategy; and a transparent focus on achieving development results.

In spring 2003 an analysis of 48 low-income countries that had prepared either a PRSP or an I-PRSP showed that, overall, action on the CDF principles is helping countries achieve their national development goals and make progress toward the Millennium Development Goals. Governments are increasingly involving a wider range of stakeholders in policy and strategy formulation to foster country ownership. The analysis found, however, that this involvement is sometimes done only reluctantly and with inconsistent follow-up. The systematic involvement of lawmakers and the private sector needs to be strengthened.

The PRSP process is helping countries focus on a more balanced institutional and socioeconomic agenda, but many countries still need greater

alignment between PRSP actions and the overall budget process. There is growing progress by external partners in aligning their assistance with the PRSP, and several of them are providing programmatic support. Several harmonization and aid coordination initiatives are being pursued, but external partners need to do much more, particularly at the institutional level. The incentive structure for Bank staff, and staff skills, need to be adapted to the different way of working required by the CDF principles.

In fiscal 2003 a series of roundtables was held to discuss using CDF principles in Latin American middle-income countries. There was also a roundtable to consider the CDF in relation to African countries affected by conflict. Participants included representatives from government, the private sector, and civil society. Many of these countries are using CDF principles in developing and implementing their national development strategies to address the issues of growth, poverty reduction, and social justice. This effort is leading to a commitment to stronger partnership, especially between the private sector and local government, and to a sharper focus on achieving results. (See www.worldbank.org/cdf.)

A number of bilateral and multilateral aid agencies conducted a joint evaluation of CDF, which culminated in June 2003 in the publication of "Toward Country-Led Development: A Multi-Partner Evaluation of the Comprehensive Development Framework."

human, and physical resources can keep poor people from participating in development.

A key tool in the Bank's support for low-income countries is the PRSP, which was introduced at the end of calendar 1999. PRSPs are country-authored, results-oriented, comprehensive road maps that are based on broad consultation with internal and external partners and stakeholders. PRSPs are intended to serve as the framework for domestic policies and cross-sectoral programs to reduce poverty and for development aid. The process emphasizes country ownership in forming plans that reflect each country's special circumstances and needs. The Bank plays an active role in helping clients strengthen the role of stakeholders in the PRSP process. (See "Poverty Reduction and Economic Management" in chapter 4.) The Bank also encourages countries to integrate the MDGs into their strategy

paper preparation, considering the cross-sectoral actions needed to achieve the goals. This approach will ensure that the tradeoffs inherent in achieving the MDGs are addressed by country strategies.

Because of the country-owned nature of strategy papers and because the process can be complex and time consuming, Interim PRSPs (I-PRSPs), which use a simpler format, were introduced to avoid delaying poor countries' access to IDA concessional lending and HIPC debt relief. Countries can also seek support for poverty reduction strategy preparation from the Poverty Reduction Strategy Trust Fund, which was initially funded by a \$20 million contribution from the Netherlands and Japan. The Trust Fund provides grants of up to \$500,000.

PRSP-based IDA assistance to low-income countries includes Poverty Reduction Support Credits, which are

designed to support country-owned poverty reduction priorities. These credits focus on building government capacity and institutions, particularly those serving poor people. As of June 30, 2003, the Executive Directors of the World Bank had approved 7 credits in 7 countries. There is also a new provision to allow the use of IDA funds for projects in the private sector.

Low-Income Countries under Stress

In an era of performance-based lending, the Bank and other donors have realized that many of the poorest countries have been left behind. They have recognized the need to engage much more actively in low-income countries with the most chronically weak policy and governance environments. In June 2002 the Task Force on Low-Income Countries Under Stress recommended to the Board of Executive Directors that the Bank work in close cooperation with its partners to expand and improve its analytical work, invest in capacity building, and identify innovative project mechanisms to improve governance and deliver basic social services in LICUS.

Work on the LICUS Task Force recommendations began in fiscal 2003 and is centered at the country level, as each country has different defining characteristics and each moves ahead at its own speed. Currently, seven Bank country teams have volunteered to pilot the LICUS initiative in their work for fiscal 2003, and more will be added in fiscal 2004. At the country level, LICUS principles have been incorporated in CASS. Examples of these strategies include a highly selective program in Angola that focuses on natural resource revenue management, demobilization of combatants, and community-driven social action; activities to rebuild the knowledge base and donor–government dialogue in Haiti; completion of a multidonor mission in the Central African Republic; demonstration projects for the provision of public goods in Somalia; policy dialogue and capacity building in support of the peace process in Sudan; and sectoral programs that combine top-down public finance management with community-driven initiatives to support improved governance in Tajikistan.

Partnerships are critical to success in LICUS. Research has shown that the most effective way for

development partners to significantly affect these difficult and risky environments is to join forces to work on priority reforms. The Bank is working with OECD/DAC to establish a learning and advisory group that brings together donors and representatives of developing countries to share ideas, research, and lessons learned. Four of the pilot LICUS country teams are developing joint strategies with UNDP; the other three are in close cooperation with bilateral partners. The pilot LICUS teams have found that increased engagement with our partners early in the strategy development cycle is vital.

Middle-Income Countries

Poverty remains a challenge for middle-income countries, which are home to three-quarters of the world's poor people. These countries face significant and diverse development challenges.

The crucial roles for the Bank here are to assist the countries with reforms that improve the investment climate, support economic restructuring and investment needs while their access to long-term capital is limited, help them reduce the remaining concentrations of poverty and mitigate their vulnerability to economic shocks, and support country-level action on the global public goods agenda.

The Bank continues to help middle-income countries achieve growth in the private sector by helping them complete fundamental market-opening reforms that make the country more attractive for investment, and by supporting ensuing structural and social reforms. Toward these ends the Bank uses a number of tools to advance its policy dialogue with countries and to continue engagement with inactive borrowers.

One of these tools is the more effective use of diagnostic reports, which deepen the understanding of a country's development priorities and of the cross-sectoral links and implications for reducing poverty. Furthermore, the Bank offers partial-credit and partial-risk guarantees to mobilize private sector financing for individual projects. The Bank's support for financial sector development draws on the complementary roles of IBRD, IFC, and the Multilateral Investment Guarantee Agency (MIGA).



Chapter 2

Overview of World Bank Activities in Fiscal 2003

FISCAL 2003 HIGHLIGHTS

- **IBRD lending** totaled \$11.2 billion this year, with robust lending of \$5.7 billion to Latin America underlying the lending program. **IDA commitments** of \$7.3 billion are the third highest on record, with the largest share, \$3.7 billion, going to Africa.
- At the **Annual World Bank Conference on Development Economics (ABCDE)** held in May in Bangalore, India, with the theme of “Accelerating Development,” more than 300 researchers, academics, development practitioners, and students from across India, South Asia, and around the world exchanged ideas for speeding poverty reduction based on research and practical development experience. This year marked the first time the conference has been held in a developing country. (See www.econ.worldbank.org/abcde.)
- In April, the Bank and three partner organizations launched an innovative financing program supporting the **eradication of poliomyelitis** worldwide by 2005. **The Investment Partnership for Polio**—comprising the Bank, the Bill & Melinda Gates Foundation, Rotary International, and the United Nations Foundation—will “buy down” an IDA credit supporting polio eradication, and convert it to a grant, once the government successfully achieves the objectives outlined in the project. (See www.worldbank.org/hnp.)
- The Bank’s involvement in the **Education for All (EFA)** and the **EFA Fast-Track Initiative (FTI)** continued, along with strong efforts to support early childhood development, basic education, girls’ education, and addressing the needs of children with disabilities, orphans, and vulnerable children. In March 2003, the FTI donors made additional pledges of more than \$200 million in support of universal primary completion for 2003–05. At the same time, new analytical work urged countries to recognize the crucial role of tertiary education in creating dynamic knowledge societies that are key to economic survival. (See “Investing in People,” chapter 4.)
- The Bank’s **Development Marketplace (DM)** promotes innovative development ideas, providing seed funding that links entrepreneurs with innovative approaches to poverty reduction to partners with resources. In fiscal 2003, the DM held nine decentralized Country Innovation Day (CID) competitions throughout the world and awarded a total of \$2.5 million in grant money, \$1.5 million of which was mobilized by the Bank’s coordinating Country Offices. The nine CIDs were held in Brazil, Burkina Faso, Central Asia, Egypt, Ethiopia/Sudan, Guatemala, and, Peru, Ukraine/Belarus/Moldova, and Vietnam. They identified innovative project ideas ranging from organic fertilizer made from coffee waste in Guatemala to a motorcycle-based fire engine for the old cities of Vietnam.

Since 1998, the Development Marketplace has awarded over \$16 million to public and private organizations, including civil society organizations (CSOs), universities, and private sector companies, for over 230 groundbreaking projects in more than 50 countries. (See www.developmentmarketplace.org.)
- In December 2002, the Bank sponsored the first **Urban Research Symposium**, where 280 attendees including Bank staff, researchers, representatives of public and private organizations, and members of research networks from around the world reviewed recent research relevant to urban poverty in developing and transition countries. The event marked the Bank’s renewed commitment to urban poverty research and highlighted the richness and diversity of research being conducted worldwide. Material from the symposium, and announcements regarding the 2003 symposium, can be accessed at the symposium Web site: www.worldbank.org/urban/symposium2003.
- **The Johannesburg Summit 2002—the World Summit on Sustainable Development (WSSD)**. This 10-year follow-up to the Rio Earth Summit took place in Johannesburg, South Africa, from August 26 to September 4, 2002. The Summit brought together tens of thousands of participants, including heads of state and government, national delegates, and leaders from CSOs and businesses to focus the world’s attention on improving people’s lives through environmentally and socially responsible growth strategies in a world with a growing population and ever-increasing demands for food, water, shelter, sanitation, energy, health services, and economic security. (See www.worldbank.org/sustainabledevelopment.)

Overview of World Bank Activities in Fiscal 2003

The sustainable global growth that was predicted to occur as a result of renewed investment spending in high-income countries has not materialized. The threat of war in Iraq was one factor that had a negative impact on worldwide growth in the first half of 2003 as oil prices rose and investor confidence fell. The growth in output for low- and middle-income countries was 3.3 percent in calendar 2002, up from 2.8 percent in 2001. Growth in developing countries was affected by the lack of a strong recovery in the industrial countries and by financial and political uncertainties in several large emerging markets. The demand for developing-country exports grew by only 2.5 percent, whereas prices for non-oil commodities rose by 5.1 percent. Net debt flows were weak, especially to Latin America, and foreign direct investment declined by \$16 billion.

During 2002 growth differed considerably across the major regions of the developing world, largely as a result of domestic conditions.

East Asia's growth was 6.7 percent, fueled by China's growth of 8 percent and conducive policies in other countries. At the other end of the spectrum, gross domestic product (GDP) growth in Latin America and the Caribbean dropped by 0.8 percent because of the banking collapse and government debt default in Argentina, uncertainty regarding Brazilian elections, a worsening of conditions in the República Bolivariana de Venezuela, and a decrease of over \$30 billion in financial market flows. In Europe and Central Asia, growth was 4.6 percent, resulting from a sharp recovery of activity in Turkey following its 2001 crisis, as well as continued gains linked to higher oil prices in Russia and the Commonwealth of Independent States countries. The continued strength of domestic demand in India led to gains of 4.2 percent in South Asia, despite the disruptions in regional conditions associated with the war on terrorism. Growth in Africa and in the Middle East and North Africa was sluggish, with the

regions both registering growth rates of 2.8 percent and 3.1 percent respectively.

Growth in developing countries overall is projected to accelerate to 4 percent in 2003 and to 4.9 percent in 2004. This forecast partly reflects the end of crisis conditions in several countries where output was severely compressed in 2002. But it is also founded on a number of crucial assumptions about the conditions facing developing countries, including some disruptions from military action in Iraq but no severe, lasting effects; the expansion of world trade by 4.6 percent in 2003 (double the 2.3 percent growth in global GDP); and a slight rebound in the flows of foreign direct investment as well as in modestly positive net debt flows from private sources.

In this context the World Bank continued to adapt its activities in responding to country needs for knowledge and advisory services, and for lending.

KNOWLEDGE SHARING AND LEARNING SERVICES

The Bank's store of development knowledge has always been an important element of its assistance to client countries. Knowledge activities range from carrying out country research, to developing analytical and conceptual frameworks for country assistance, to initiating outreach that enables client countries to access the available global knowledge. The Bank's knowledge activities in fiscal 2003 are described below.

Research

Country research forms the core of the Bank's knowledge base, and it culminates in a number of knowledge products, including policy research working papers, development data, development prospects analysis, and a wide range of development publications. Three of these research activities are highlighted here.



A construction project in Senegal demonstrates the importance of strengthening the capacity of poor communities to design and manage development activities that have an impact on their welfare.

Investment Climate. The Development Economics Group (DEC) works closely with other Bank units and local partners to carry out investment climate surveys—large, random surveys of private firms in specific sectors, such as garments, electronics, and information technology. This research helps clients understand the main problems in their investment climates, identify the reforms that would effect the biggest results, and implement those changes.

The surveys focus on the key bottlenecks that firms face, such as poor infrastructure, inefficient government bureaucracy, and corruption. Because these samples are large, Bank researchers can relate differences in firm performance to various investment climate indicators. From this work, they can conduct thought

experiments: for example, estimating what Bangladeshi firms would experience in terms of faster growth if Bangladesh's investment climate reached the mean level of China's investment climate. Thus, one aspect of the Bank's work is to measure the investment climate objectively and link it to firm performance so that countries (and cities within countries) can gauge their progress and identify priority areas for reform.

A more important objective, however, is to stimulate real change. These surveys can only be done with the close cooperation of the business community—both local and foreign—in each country. A second stage in the survey process is to work with these private sector partners to bring this information into the political debate and to identify specific reforms that are priorities for private sector development. The World Bank and other donor assistance can then support the identified reforms. (See also “Supporting Private Sector Development and Infrastructure” in chapter 4.)

World Development Report. This annual flagship publication incorporates research from across the Bank.

World Development Report 2004: Making Services Work for Poor People examines how education, health, water, energy, and sanitation services are failing poor people because of inadequate access, insufficient quantity, and poor quality. The service delivery chain involves three sets of actors: poor people as clients, the providers of services, and the politicians who set policy for service delivery. Improving services for poor people requires reforming and strengthening the three relationships in the chain—between poor people and providers, between poor people and policymakers, and between policymakers and providers. Governments, citizens, and donors can make services work by putting poor people at the center of service provision, by enabling them to monitor service providers, by amplifying their voices in policymaking, and by strengthening the incentives for providers to serve poor people.

Poverty Research. Since 1993 the Bank's Poverty Reduction and Economic Management network has produced an annual poverty progress report, *Poverty Reduction and the World Bank*. The report reviews the effect of the Bank's activities on poverty reduction. (See www.worldbank.org/poverty.)

Economic and Sector Work

The Bank's approach to creating, sharing, and applying knowledge helps augment its IBRD and IDA lending

activities, generating a greater impact on development. Bank advisory services include economic and sector work (ESW). ESW products include core diagnostic reports that underpin the analysis for the Country Assistance Strategy (CAS) and the Bank's overall policy dialogue; other diagnostic work that provides upstream analysis for formulating and implementing effective lending programs and assessing their results; country advisory and regional reports that provide advice on special topics; and other more informal products, including policy notes, and events such as workshops and conferences. As the main analytical and advisory tool, the ESW program is closely monitored by the Bank. Table 2.1 shows ESW products delivered by all regions from fiscal 1998 through fiscal 2003.

In recent years core diagnostic work has been a fairly constant share of the Bank's ESW program, reflecting the high priority assigned to this product line (see table 2.1). At the same time there has been a pronounced shift from other diagnostic and advisory reports to informal products, the result of an increased emphasis in Bank work on capacity building, knowledge dissemination, and the provision of "just-in-time" advice to clients. Financial and private sector development, public sector governance, and economic management were themes with the largest share of total ESW output in fiscal 2003. The Bank also carried out substantial ESW focusing on human development, social protection, risk management, trade, and rural development, which help provide the diagnostic bases for project design and country programming. More than 25 percent of the fiscal 2003 program was delivered by Africa, followed by Europe and Central Asia (24 percent), and East Asia and the Pacific (14 percent). Country reports were supplemented by regional reports concentrating on such issues as regional

trade and transportation, health, income distribution, and achieving the Millennium Development Goals (MDGs). ESW is being more tightly integrated into the overall country assistance program, with increasing emphasis on country ownership, participatory processes, partnerships, and capacity building. For example, the Middle East and North Africa region and East Asia and the Pacific focused systematically on programmatic ESW, and the Middle East and North Africa deepened its involvement in the reimbursable Technical Cooperation Program along with its existing and more traditional ESW portfolio. In fiscal 2003, 591 products were delivered to country clients, compared with 457 products delivered in fiscal 2002. Of these, 120 were core diagnostic reports, such as poverty assessments, public expenditure reviews, country economic memoranda and development policy reviews, country financial accountability assessments, and country procurement assessments. These help underpin CASSs, Poverty Reduction Support Credits (PRSCs), and other adjustment lending, and help facilitate policy dialogue with clients.

Sector Strategy Papers

Sector Strategy Papers (SSPs) examine the major economic sectors and thematic areas in which the Bank is engaged. These comprehensive reports are crafted after thorough research and extensive dialogue among staff and major stakeholders, and they represent a comprehensive body of knowledge. They provide strategic options and guidance for operations staff. In addition, they identify the Bank's strategic priorities for each of the areas of work and present a plan for carrying out the SSP in the context of CASSs. Bank management regularly monitors how well the SSPs are being implemented.

Table 2.1 Economic and Sector Work Product Deliveries by Type, Fiscal 1998–2003

Product type	Number of ESW products delivered					
	1998	1999	2000	2001	2002	2003
Core diagnostic reports	60	75	63	62	90	120
Other diagnostic reports	134	118	100	74	35	39
Country advisory reports	75	132	79	71	101	124
Regional reports	38	47	50	28	22	36
Total reports	307	372	292	235	248	319
Other products	21	28	86	100	209	272
Total ESW products	328	400	378	335	457	591

BOX 2.1 THE GLOBAL DEVELOPMENT LEARNING NETWORK

The Global Development Learning Network (www.gdln.org) represents a growing partnership of public and private organizations committed to development and poverty reduction. In more than 50 distance learning centers around the world, partners use interactive technologies for knowledge sharing, coordinating, consulting, and training with the goal of capacity building. Recently the network provided a forum on the stigma and discrimination related to HIV/AIDS for decisionmakers and community leaders across regions. The forum enabled participants in Barbados, China, Moldova, Tanzania, Thailand, and Uganda to address the challenges of living with HIV/AIDS and to explore various initiatives to raise awareness and combat discrimination.

In fiscal 2003 the Bank produced three SSPs: “Reaching the Rural Poor,” “Water Resources Sector Strategy: Strategic Directions for World Bank Engagement,” and “A Revised Forest Strategy for the World Bank Group.”

“Reaching the Rural Poor” renewed the Bank’s approach to agriculture and rural development by adopting holistic pro-poor rural development; fostering rural economic growth not only through agricultural but also through nonfarm economic activities and the private sector; promoting cross-sectoral, long-term approaches by addressing the entire rural space; and increasing broad-based stakeholder participation in projects and programs.

The water resources SSP emphasized the critical role of water resources management and development in poverty reduction and sustainable economic growth, and called for engaging in both management and development of water resources infrastructure; taking the political economy of reform into account; developing and maintaining appropriate stocks of well-performing hydraulic infrastructure mobilizing both public and private financing; and meeting appropriate environmental and social safeguards.

The revised forest strategy, aimed at making an effective contribution to poverty reduction and environmental management, was built on three interrelated pillars: harnessing the potential of forests to reduce poverty, integrating forests in sustainable economic

development, and protecting vital local and global environmental services and values.

Capacity Building: The World Bank Institute

The World Bank Institute (WBI) builds capacity in client countries through training courses, policy advice, knowledge products, and services aimed at helping countries achieve their development goals. WBI’s services are designed to help government and civil society stakeholders upgrade their skills, acquire global knowledge from multiple sources, and then adapt the new knowledge to their country institutions and policies. WBI also helps World Bank operations teams design and deliver the capacity-building components of lending projects. In fiscal 2003 WBI delivered programs in the key corporate priority areas of human development, poverty reduction and economic management, environmentally sustainable development, and finance and private sector development.

In fiscal 2003 WBI adopted a country-focused business model, customizing its capacity-building programs to countries’ priority needs, applying best-practice pedagogy, maintaining a sustained presence at the country level, and collaborating with key figures who can implement policy decisions. The Bank identified 41 countries for customized learning and knowledge programs. Among them were Afghanistan, Somalia, and Sudan, where knowledge and learning activities dominate the Bank’s engagement strategy; Albania, Kenya, and the Lao People’s Democratic Republic, where learning programs are particularly important to complement and support other Bank activities; and Brazil, China, and India, large countries where many people live in poverty and where there is a strong demand for strategic management of the knowledge economy.

Capacity-enhancement needs assessments—comprehensive, country-owned reviews of capacity gaps and priorities—are being pilot-tested in countries such as Burkina Faso, Nigeria, and Tajikistan. When gaps and needs have been assessed, WBI prepares a strategy for how best to address them and to define WBI’s role, which becomes part of the Bank’s CAS.

Among WBI’s other products is the Knowledge for Development Program, which provides client countries with an analysis of their preparedness for the knowledge economy, using a set of 69 structural and qualitative variables to benchmark how an economy compares with its neighbors, competitors, and those countries it

wishes to emulate. This knowledge assessment helps identify the problems and opportunities that a country faces.

To increase its reach, WBI works with partners and makes use of distance learning tools and technologies. It helps clients gain access to information resources through e-learning, Web-casting facilities (B-SPAN), Web sites, and the Global Development Learning Network, which reached more than 36,000 participants in fiscal 2003 via videoconference-based distance learning (see box 2.1). WBI also helps its clients gain access to global knowledge through knowledge-sharing services and tools for building communities of learning and practice. The Bank's Knowledge and Learning Advisory Service, managed by WBI, provides Bank staff with access to best practices across the institution.

WORLD BANK LENDING IN FISCAL 2003

The World Bank comprises cooperative institutions that mobilize financing from member shareholder equity, by borrowing from the international capital markets (for IBRD), and by means of outright

contributions from the richer member countries (for IDA). It channels these resources for the benefit of poor people in borrowing countries.

The Bank's lending focuses on work at the country level and reflects the Bank's focus on achieving the MDGs. Lending is tailored to individual country needs, with lending instruments that are becoming increasingly flexible.

The clients of IBRD are generally the middle-income countries and, because of the limitation on IDA resources, some of the larger low-income countries that are deemed creditworthy for borrowing. IBRD offers loans that have long maturities and reflect its own favorable market costs. In fiscal 2003 IBRD provided loans totaling \$11.2 billion in support of 99 projects in 37 countries.

The clients of IDA are the poorest countries, which usually cannot afford to borrow on commercial terms. IDA offers concessional, no-interest loans (called "development credits") to these countries, which are normally repayable in 35 to 40 years including a 10-year grace period. In fiscal 2003 IDA provided \$7.3 billion in financing for 141 projects in 55 low-income countries.

Figure 2.1 The Project Cycle

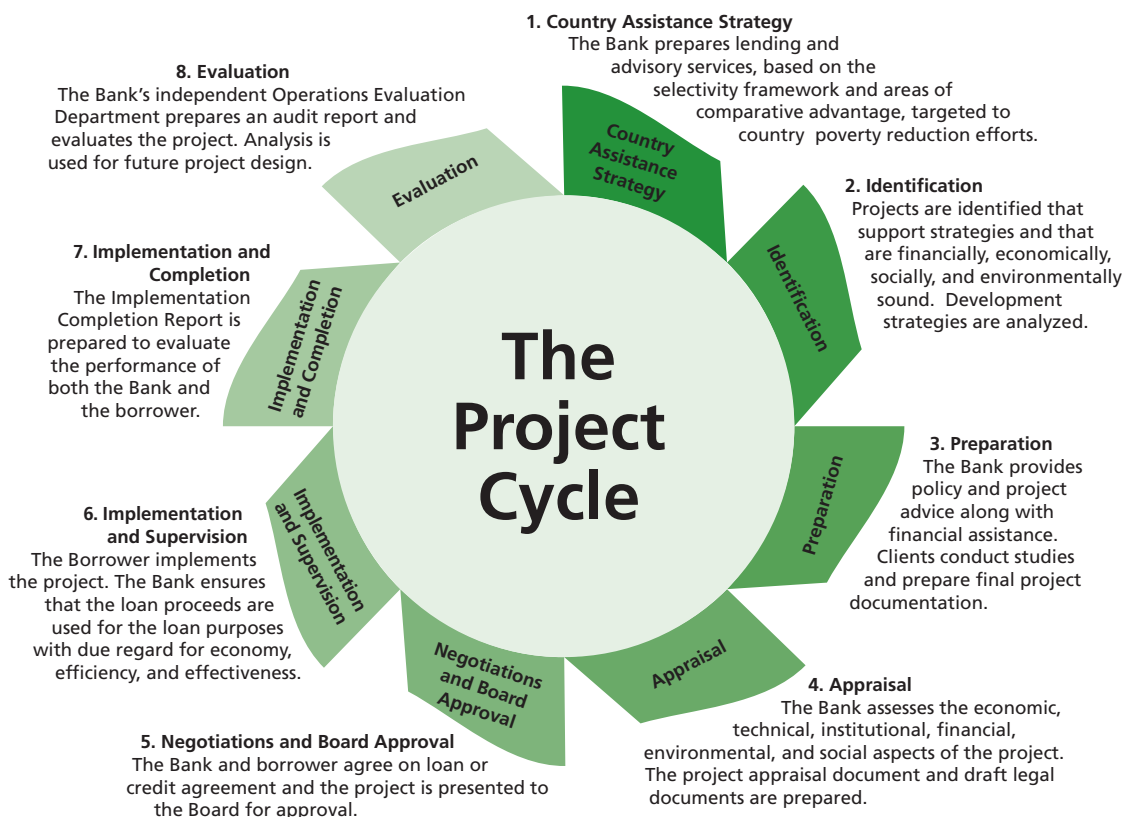


Figure 2.2 Total IBRD-IDA Lending by Region, Fiscal 2003
Share of total lending of \$18.5 billion

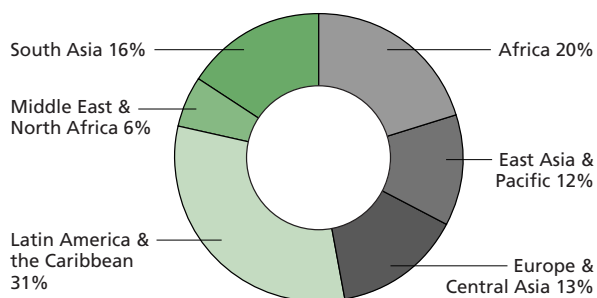
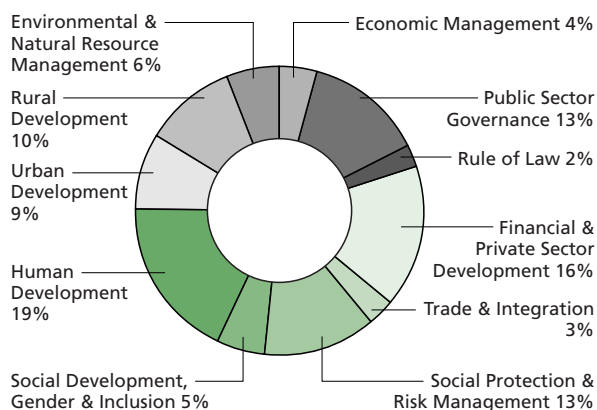
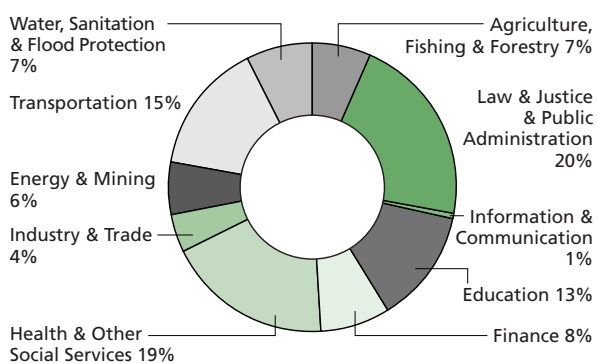


Figure 2.3 Total IBRD-IDA Lending by Theme, Fiscal 2003
Share of total lending of \$18.5 billion



Note: See table 2.2.

Figure 2.4 Total IBRD-IDA Lending by Sector, Fiscal 2003
Share of total lending of \$18.5 billion



Note: See table 2.2.

Poverty reduction is at the core of lending from both IBRD and IDA, through investments that support growth as well as investments in basic public services. Through partnerships with other institutions, co-financing and trust funds also are made available for projects. Figure 2.1 shows the typical cycle of a Bank project. Figures 2.2 to 2.4 show IBRD/IDA lending by region, theme, and sector. Table 2.2 shows World Bank lending by theme and sector. A detailed explanation of the Bank's financing is contained in volume 2 of this *Annual Report*.

The Role of IBRD

Countries with a per capita income of less than \$5,115 that are not IDA-only borrowers are eligible to borrow from IBRD. Countries with higher per capita incomes may borrow under special circumstances or as part of a graduation strategy. It is important to note, however, that the amount that IBRD is prepared to lend to eligible countries at any given time depends on their creditworthiness as individual IBRD borrowers. Thus, countries may be eligible to borrow but may not have access to IBRD resources because of poor creditworthiness. In addition, net IBRD loans outstanding to any individual borrower, irrespective of the borrower's creditworthiness, currently may not exceed \$13.5 billion.

Seventy-five percent of people who live on less than \$1 a day live in countries that receive IBRD lending. The borrowers typically are middle-income countries that enjoy some access to private capital markets. Some countries are eligible for IDA lending as a result of their low per capita incomes, but they are also creditworthy for some IBRD borrowing. These countries are known as "blend borrowers." Even excluding IBRD loans to the blend countries, a full 25 percent of those who live on less than \$1 a day live in countries that are IBRD borrowers. IBRD provides important support for poverty reduction by helping clients gain access to capital in larger volumes, on good terms, with longer maturities, and in a more sustainable manner than the market provides.

IBRD is a AAA-rated financial institution—with some unusual characteristics. Its shareholders are sovereign governments. Its member borrowers have a voice in setting its policies. IBRD loans (and IDA credits) typically are accompanied by nonlending services to ensure more effective use of funds. And, unlike commercial banks, IBRD is driven by development impact rather than profit maximization.

Table 2.2 World Bank Lending by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 ^a (annual average)	2000	2001	2002 ^b	2003
THEME						
Economic Management	1,033.9	1,952.7	799.6	895.3	1,408.0	777.7
Public Sector Governance	1,582.5	2,552.4	2,142.5	2,053.7	4,247.2	2,465.5
Rule of Law	323.0	362.9	373.6	410.0	273.2	456.6
Financial and Private Sector Development	5,933.3	9,486.0	3,368.4	3,940.9	5,055.4	2,957.5
Trade and Integration	711.9	813.2	426.4	1,059.9	300.9	560.9
Social Protection and Risk Management	1,162.6	2,653.9	1,895.0	1,651.0	1,086.4	2,345.8
Social Development, Gender, and Inclusion	1,061.3	1,320.5	800.8	1,469.7	1,385.7	1,003.1
Human Development	1,869.0	2,484.8	1,190.3	1,134.7	1,756.1	3,356.3
Urban Development	2,099.5	2,403.3	1,036.6	1,458.6	1,482.4	1,576.3
Rural Development	2,327.5	2,746.4	1,413.7	1,822.3	1,600.0	1,910.9
Environmental and Natural Resource Management	2,859.7	2,018.6	1,829.4	1,354.6	924.0	1,102.6
Theme Total	20,964.1	28,794.8	15,276.2	17,250.6	19,519.4	18,513.2
SECTOR						
Agriculture, Fishing, and Forestry	1,572.7	2,097.1	837.5	695.5	1,247.9	1,213.2
Law and Justice and Public Administration	3,241.8	6,127.2	4,525.4	3,843.0	5,199.6	3,947.5
Information and Communication	220.4	179.4	273.8	216.9	153.2	115.3
Education	1,661.5	2,154.3	728.1	1,094.7	1,384.6	2,348.7
Finance	2,060.9	5,167.1	1,580.9	2,253.4	2,862.4	1,455.3
Health and Other Social Services	1,891.3	3,114.5	1,491.7	2,521.2	2,366.1	3,442.6
Industry and Trade	1,714.0	2,922.7	1,036.7	718.3	1,394.5	796.7
Energy and Mining	3,362.0	2,311.0	1,572.4	1,530.7	1,974.6	1,088.4
Transportation	3,281.0	3,511.3	1,717.2	3,105.2	2,390.5	2,727.3
Water, Sanitation, and Flood Protection	1,958.5	1,210.2	1,512.6	1,271.7	546.0	1,378.3
Sector Total	20,964.1	28,794.8	15,276.2	17,250.6	19,519.4	18,513.2
Of which IBRD	15,027.4	21,634.3	10,918.6	10,487.0	11,451.8	11,230.7
Of which IDA	5,936.8	7,160.5	4,357.6	6,763.6	8,067.6	7,282.5

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral coding system, which includes 68 themes and 57 sectors. Numbers may not add to totals because of rounding. Please see appendix 11 in volume 2 for detailed IBRD and IDA lending by theme and country. Lending numbers exclude guarantees.

a. Bank lending amounts in fiscal 1998 and 1999 are presented together, the two years being exceptional due to the East Asian financial crisis.

b. Due to a recoding of one project there is a discrepancy between these figures and the figures in the 2002 annual report (table 2.2). This discrepancy of 2.2 million shows up in the commitment amounts in fiscal 2002 for Social Protection and Risk Management and Rural Development (with the two themes showing 2.2 million higher and 2.2 million lower, respectively).

IBRD Lending

New lending by IBRD in fiscal 2003 was \$221 million less than the previous year's level, whereas the number of new operations approved was higher than last year's, at 99. The new approvals reflect

smaller average commitment volumes per operation, as the share of adjustment lending returned to normal levels after a record high last year. The decline in adjustment lending commitments was offset somewhat by investment lending commitments, which

Table 2.3 World Bank Adjustment Commitments, Fiscal 2000–03

	2000		2001		2002		2003	
	Millions of dollars	Percent	Millions of dollars	Percent	Millions of dollars	Percent	Millions of dollars	Percent
Adjustment commitments by region								
Africa	495	10	908	16	1,437	15	789	13
East Asia and Pacific	552	11	250	4	17	0	100	2
South Asia	251	5	500	9	850	9	615	10
Europe and Central Asia	950	19	1,132	20	4,743	48	710	12
Latin America and the Caribbean	2,860	56	2,788	48	2,517	26	3,639	60
Middle East and North Africa	0	0	185	3	263	3	165	3
IBRD and IDA adjustment commitments								
IBRD	4,426	87	3,937	68	7,383	75	4,187	70
IDA	682	13	1,826	32	2,443	25	1,831	30
Total adjustment loans	5,108	100	5,763	100	9,826	100	6,018	100
Total World Bank lending commitments								
IBRD	10,919		10,487		11,452		11,231	
IDA	4,358		6,764		8,068		7,283	
Total IBRD + IDA	15,276		17,251		19,519		18,513	
Share of adjustment loans		33		33		50		33

Note: Numbers may not add to totals because of rounding.

grew to \$7 billion, representing the largest volume since fiscal 1999.

Underlying the IBRD lending program in fiscal 2003 was robust lending to Latin America, with \$5.7 billion or 50 percent of total lending, followed by Europe and Central Asia with \$2 billion and East Asia and Pacific with \$1.8 billion. Lending was not as concentrated as it was in fiscal 2002. Whereas only two countries, Brazil and Turkey, made up roughly 45 percent of total lending last year, 5 countries, including Argentina, Brazil, China, Colombia, and Mexico had a combined commitment volume equaling 49 percent of total lending in fiscal 2003.

Law and Justice and Public Administration was the leading sector for IBRD lending, receiving \$2.6 billion, or 23 percent of the total. Lending to Health and Other Social Services was second, representing \$2.1 billion, or 18 percent of the total.

The thematic distribution of lending in fiscal 2003 was led by Financial and Private Sector Development and Human Development. Figures 2.5 through 2.7 show IBRD lending by region, theme, and sector. Table 2.3 shows World Bank adjustment commitments in fiscal 2000–03.

IBRD Resources

As part of its regular financing operations, IBRD raised \$17 billion at medium- to long-term maturities in international capital markets in fiscal 2003. This funding volume was below the \$23 billion raised in fiscal 2002. IBRD issued loans with a wide range of maturities and structures in fiscal 2003. Product diversification helps IBRD expand its investor base and reduce lending rates on its loans. IBRD's financial strength is based on the support it receives from its shareholders and on its array of financial policies and

Figure 2.5 IBRD Lending by Region, Fiscal 2003
Share of total lending of \$11.2 billion

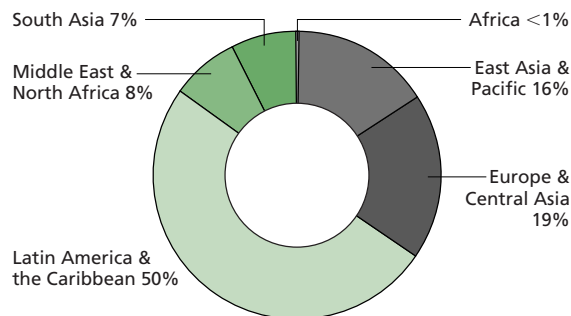


Figure 2.6 IBRD Lending by Theme, Fiscal 2003
Share of total lending of \$11.2 billion

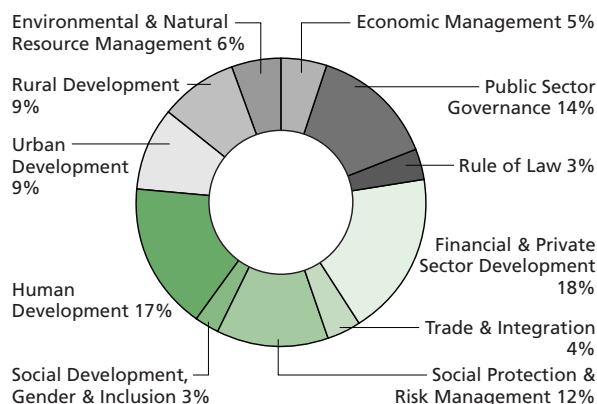
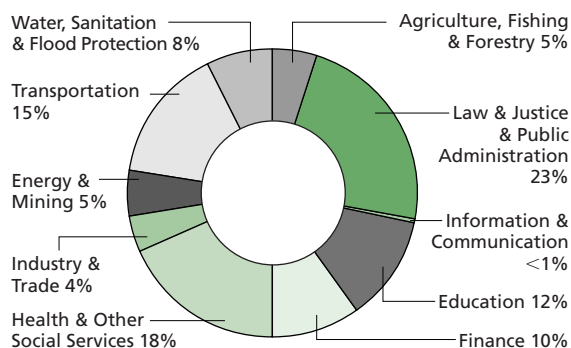


Figure 2.7 IBRD Lending by Sector, Fiscal 2003
Share of total lending of \$11.2 billion



practices designed to maintain a high credit standing in the international markets.

IBRD Financial Strength. IBRD's operating income in fiscal 2003 was \$3,021 million, and allocable net income (that can be allocated to reserves and development activities) was \$3,050 million. IBRD retained \$2,410 million out of allocable net income in its general reserve—higher than the previous year, when \$1,291 million was retained—in keeping with IBRD's strategy to preserve long-term financial strength and support other development needs. IBRD also added \$100 million of the fiscal 2003 income to the surplus account. IBRD maintained adequate liquidity in fiscal 2003 to ensure sufficient cash flow to meet its obligations. As of June 30, 2003, the liquid asset portfolio was about \$27 billion.

Managing Returns to Maintain Strength. As a cooperative institution IBRD seeks not to maximize profit but to earn a return on assets sufficient to ensure its financial strength and sustain its development activities on an ongoing basis. IBRD achieved an annual net return on assets of about 1 percent per year. The net return on assets for fiscal 2003, however, rose above the 2 percent level due to a reduction in the provision for loan loss. Figure 2.8 shows the net return on average earning assets for fiscal 1999–2003.

Managing Risk. Consistent with its development mandate, the principal risk taken by IBRD is the country risk inherent in its portfolio of loans and guarantees. Risks related to interest and exchange rates are minimized, although the Bank remains highly active in global credit markets to deliver financial instruments on the finest terms that are best suited to the needs of borrowers. One summary measure of the Bank's risk profile is the ratio of loans to balance sheet equity, which is closely managed in line with the Bank's financial and risk outlook. Figure 2.9 shows the equity-to-loans ratio as of June 30, 2003.

Achieving Efficient Intermediation. IBRD enjoys an exceptional franchise in capital markets, thus reflecting the capital commitments of its sovereign shareholders and the preferred creditor status accorded by its borrowing members that provide it with a high credit rating (AAA) and allow it to borrow for long maturities on favorable terms. This is reflected

Table 2.4 Select IBRD Financial Data
(millions of dollars)

	Fiscal 2003	Fiscal 2002
For the fiscal year^a		
Income from loans	5,742	6,861
Income from investments	418	734
Borrowing expenses	(3,594)	(4,903)
Administrative expenses	(882)	(876)
Other	1,337	108
Operating income ^b	3,021	1,924
Allocable net income	3,050	1,831
Loan commitments		
Loan commitments	11,231	11,452
Loan disbursements	11,921	11,256
At fiscal year end^a		
Cash and liquid investments	26,620	25,056
Loans outstanding	116,240	121,589
Borrowings outstanding ^c	(103,017)	(111,205)
Equity	(37,918)	(32,313)

- a. Excerpted from the audited financial statements presented in volume 2 of this *Annual Report*.
b. Excludes FAS 133 adjustments.
c. Outstanding borrowings, net of swaps.

in the relatively low cost basis of its new lending, an average spread of about 37.8 basis points (1 basis point equals 0.01 percent) below London InterBank Offered Rate in fiscal 2003, and the high volumes it can intermediate relative to its paid-in capital and retained earnings.

In fiscal 2003 the Bank's outstanding borrowings from capital markets exceeded \$103 billion (net of swaps), and its total disbursed and outstanding loans were approximately \$116 billion. The size of borrowings was about three times the size of its equity. Figure 2.10 shows the Bank's borrowings and investments as of June 30, 2003. Table 2.4 shows select IBRD financial data for fiscal years 2002 and 2003.

Generation and Distribution of IBRD's Net Income

IBRD earns income from the interest margin on its loans (returns on loans less cost of borrowings), interest margin on investments, and contribution from its equity. Barring unexpected credit events, IBRD generates net income after allowing loan loss-provisioning

expenses and administrative expenses, including its contribution to the staff retirement accounts.

IBRD's allocable net income serves several purposes related to the Bank's mission. A portion of net income is retained annually to ensure IBRD's financial integrity. The general reserve allows IBRD to assume credit risk in lending to countries at the lowest funding costs, which in turn benefits borrowers. Income retention has enabled IBRD to maintain financial soundness through past periods of both deteriorating loan quality and surging loan demand.

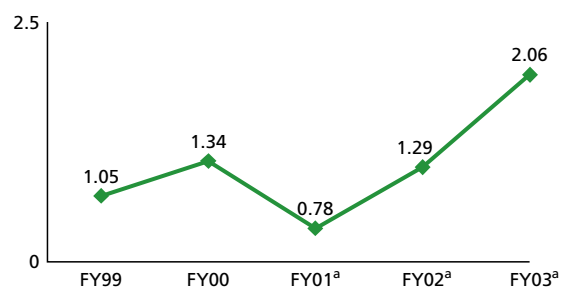
Support to IDA has consistently been a priority. Over the last five years \$1.570 billion (or about 18 percent of IBRD's net income) has been transferred to IDA.

Support for the Heavily Indebted Poor Countries (HIPC) Debt Initiative has also been important. Over the last five years, transfers to the HIPC Trust Fund have amounted to a total of about \$1,030 million, averaging about 12 percent of annual IBRD net income.

IBRD's allocable net income helps meet other development needs from time to time. It enables IBRD to respond to unforeseen humanitarian crises and provide grants or other support for worthy causes. IBRD also regularly shares income with its borrowing members through partial waivers of the commitment fees and, for qualifying borrowers, through waivers of contractual interest charges on loans.

Financial strength and standing in the markets allow IBRD to leverage its equity by four times in the international bond markets. This leverage increases IBRD's ability to lend for development activities.

Figure 2.8 Net Return on Assets
(percent)



- a. In fiscal 2001 IBRD adopted Statement of Financial Accounting Standard No. 133 and International Accounting Standard No. 39, which require that derivative instruments be reported at fair value. The returns shown above for fiscal 2001, 2002, and 2003 are presented before the effects of these standards in order to facilitate comparison with prior years. With the inclusion of the effects of these standards, the ratios would be 0.87, 1.87, and 3.64 for fiscal 2001, 2002, and 2003, respectively.

Figure 2.9 Equity-to-Loans Ratio as of June 30, 2003 (percent)

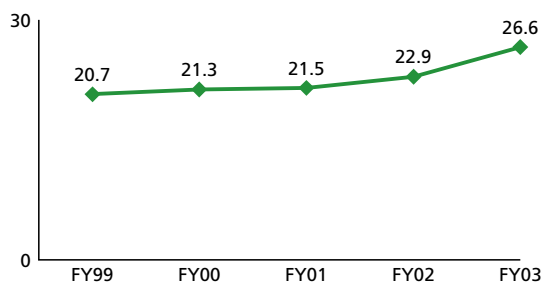


Figure 2.10 Borrowings and Investments as of June 30, 2003 (billions of dollars)

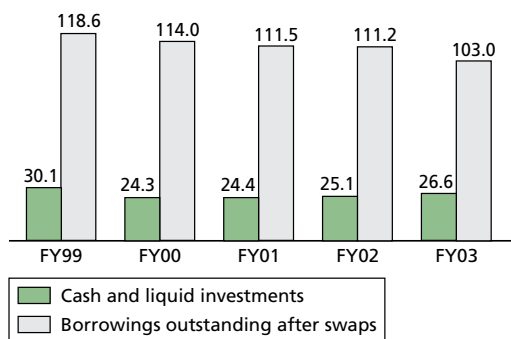
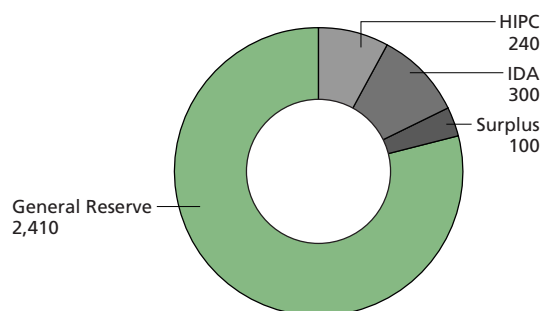


Figure 2.11 Proposed Allocation of Fiscal 2003 Allocable Net Income of \$3,050 Million (millions of dollars)



Note: Proposal to the Board of Governors.

Figure 2.11 shows the proposed allocation of the Bank's net operating income.

The Role of IDA

IDA is the world's largest single source of concessional financial assistance for the poorest countries, and it invests in basic economic and human development projects. Eligibility for access to IDA resources is governed by two basic criteria: a country's relative poverty (as measured by per capita income) and its lack of creditworthiness for IBRD resources. The operational income cutoff for IDA eligibility in fiscal 2003 was a per capita gross national income of \$875. The amount of IDA resources that countries receive depends on the quality of their policies to promote growth and reduce poverty, which are assessed on an annual basis. In exceptional circumstances IDA extends eligibility to countries that are above the income cutoff but are not fully creditworthy to borrow from IBRD, such as small island economies.

IDA recipient countries face complex challenges in striving for progress toward the MDGs. Policy priorities include strengthening the fight against the spread of communicable diseases, including HIV/AIDS; building a healthy investment climate as a prerequisite for private sector investment; promoting gender equality; and improving the quality of basic education and poor people's access to it.

IDA assistance is in the form of highly concessional credits, and since the beginning of fiscal 2003 the Association has also introduced an expanded use of grants, in line with the arrangement for the 13th Replenishment of IDA (IDA-13) that governs IDA operations in financial years 2003 to 2005. The grants are specifically to address hardships faced by the poorest and most vulnerable IDA countries. On this basis the grants are used to finance operations in the poorest and most debt-vulnerable countries and in countries recently emerging from conflict, and to finance HIV/AIDS programs and natural disaster reconstruction.

IDA is financed by its own resources and by donor governments, which come together every three years to decide on the amount of new resources required to fund IDA's future lending program and to discuss lending policies and priorities. Since 2001, senior-level borrower representatives also participate in these replenishment discussions. Thirty-eight countries are now IDA donors.

Donor contributions historically have been determined on the basis of countries' relative economic

Figure 2.12 IDA Commitments by Region, Fiscal 2003
Share of total lending of \$7.3 billion

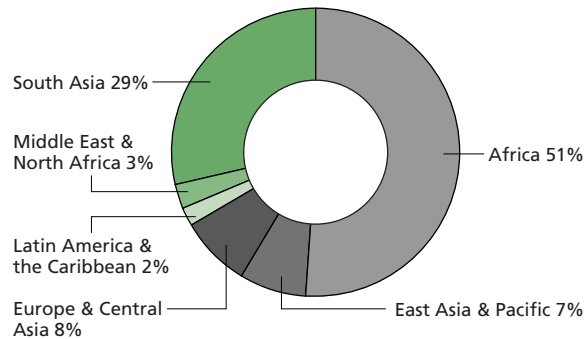


Figure 2.13 IDA Commitments by Theme, Fiscal 2003
Share of total lending of \$7.3 billion

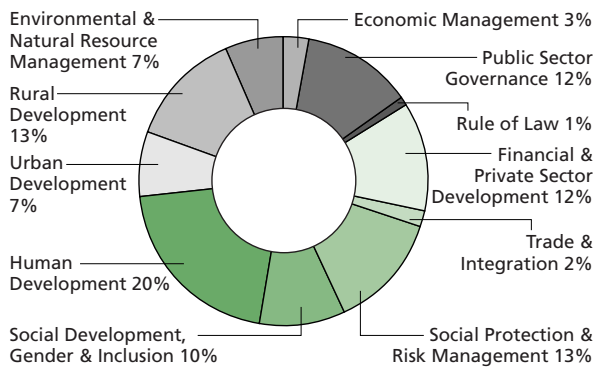


Figure 2.14 IDA Commitments by Sector, Fiscal 2003
Share of total lending of \$7.3 billion

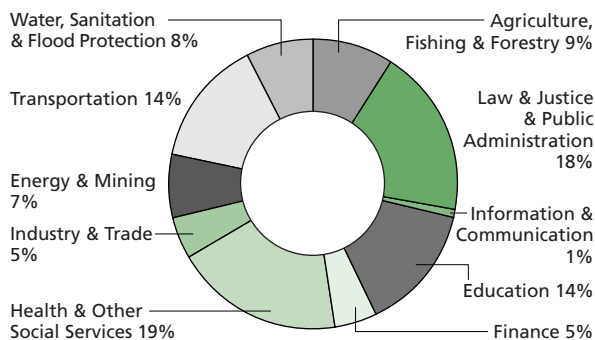
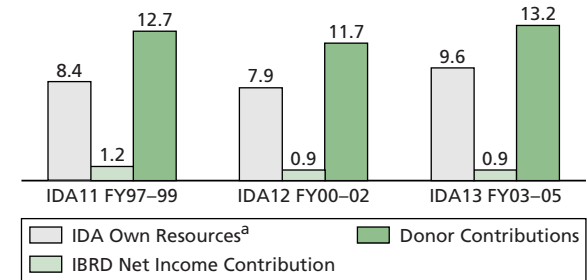
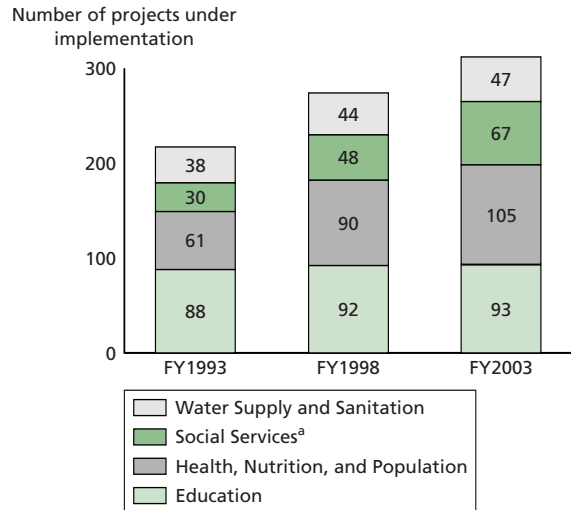


Figure 2.15 Sources of IDA Funding



a. IDA Own Resources include principal repayments, charges less administrative expenses, and investment income.

Figure 2.16 IDA's Stepped-up Efforts in the Social Sectors
297 projects ongoing (compared with 190 a decade ago)



Note: Number of projects under implementation includes projects in both IDA-only and blend countries. IDA commitment value of ongoing social sector projects: 1993, \$10.1 billion; 1998, \$14.2 billion; 2003, \$14.0 billion.

a. Social Services is the sum of Social Development and Social Protection.

strength and on their commitment to poor countries; as such the major industrial nations have been the largest contributors to IDA. Donor nations also include developing and transition countries—some of them IBRD borrowers and former IDA borrowers—such as Argentina, Brazil, Hungary, the Republic of Korea, the Russian Federation, and Turkey. IDA's financial strength is based on the strong and continued support of its donors, as well as on repayments of past credits. (See IDA at www.worldbank.org.)

IDA Commitments

IDA commitments in fiscal 2003 totaled \$7.3 billion for 141 operations, consisting of \$6.1 billion in credits (not including an IDA guarantee of \$75 million to Vietnam), and \$1.2 billion in grants. Although below last year's record high, IDA lending commitments in fiscal 2003 still represent the third highest on record and are above the average annual total for the last five years.

The largest share of IDA resources went to Africa, with \$3.7 billion for 60 operations, constituting 51 percent and 43 percent of total IDA commitments and operations, respectively. South Asia followed with \$2.1 billion for 29 operations. Among countries, Bangladesh, the Democratic Republic of Congo, Ethiopia, India, and Uganda represent the largest single recipients of IDA financing.

In fiscal 2003 about 17 percent of total IDA operational financing came in the form of grants in the following categories: operations benefiting the poorest countries, \$241 million; poorest and debt-vulnerable countries, \$406 million; postconflict countries, \$306 million; HIV/AIDS projects and components, \$214 million; and natural disasters reconstruction projects, \$65 million.

Health and social services and law and justice and public administration were the leading sectors for IDA support, each receiving \$1.4 billion, or 19 percent of the total.

The most prominent theme of resource commitments in fiscal 2003 was human development, which accounted for 21 percent of commitments. Major attention was also paid to social protection and risk management; rural development; public sector governance; and financial and private sector development.

IDA Resources

Fiscal 2003 marked the first year of IDA-13, which will fund commitments for fiscal years 2003 through 2005. IDA-13 will provide a total of special drawing rights (SDRs) 18 billion (about \$24 billion) of concessional resources to IDA-eligible borrowers over the three-year period. This amount includes SDR 10 billion (approximately \$13 billion) of new donor contributions; IDA internal resources, including repayments of principal from past credits and service charges on the order of SDR 7.3 billion (about \$10 billion); IBRD net income transfers (if available) of SDR 0.7 billion; and a small carryover of donor resources from the previous replenishment. Figure 2.15 shows the sources

of IDA's funding over the last three replenishments. Figure 2.16 shows IDA's stepped-up efforts in the social sectors.

Under IDA-13 arrangements a major initiative was launched to strengthen IDA's focus on results. This included the development of a system to measure and monitor the results of IDA's assistance across countries and to track the contribution made by IDA programming to country outcomes.

TRUST FUNDS

Trust funds, which are separate from the Bank's own resources, are financial and administrative arrangements with external donors that lead to grant funding of high-priority development needs, such as technical assistance, advisory services, debt relief, postconflict transition, and cofinancing. Trust funds help the Bank leverage its poverty reduction programs by promoting innovative approaches for projects, forging partnerships, and expanding the scope of development collaboration.

Many industrial countries, a few of the larger developing countries, the private sector, and foundations make trust funds available to the Bank for specific agreed-on purposes. The Bank also provides some of its own grant resources to selected trust funds.

Contributions, Disbursements, and Balances

The Bank's trust fund portfolio expanded in fiscal 2003. The contributions received from donors totaled \$4.44 billion, an increase of \$1.83 billion, or 70 percent over fiscal 2002, and funds held in trust rose from \$5.33 billion to \$6.89 billion (a 30 percent increase). These figures reflect contributions received on a cash basis for all trust funds except HIPC, the Global Environment Facility (GEF), and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM), for which contributions are accounted on an accrual basis (starting in fiscal 2003 for GEF and GFATM). The top 10 donors, shown in table 2.5, accounted for 79 percent of all contributions.

Disbursements during the year totaled \$2.56 billion, an increase of \$0.63 billion, or 33 percent over fiscal 2002. The five programs with the largest disbursements were HIPC (\$751 million), GEF (\$409 million), Afghanistan Reconstruction Trust Fund (\$182 million), Consultative Group on International Agricultural Research (\$118 million), and GFATM

Table 2.5 Top Ten Trust Fund Donors
(millions of dollars)

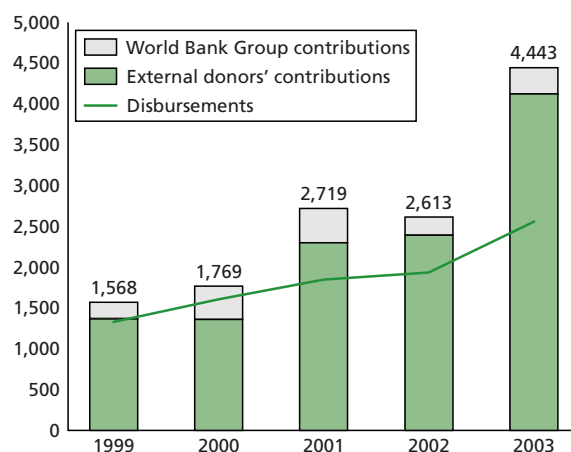
	FY02	FY03
U.S.	640	1,085
Japan	316	500
World Bank Group	222	329
Netherlands	114	269
U.K.	268	252
European Community (EC)	187	241
France	80	217
Sweden	81	201
Germany	44	194
Gates Foundation	15	170
Other donors	696	985
Total contributions	2,663	4,443

(\$64 million), totaling \$1.52 billion, or 60 percent of total disbursements. Disbursements for all trust funds are reported on a cash basis. Figure 2.17 shows trust fund contributions and disbursements for fiscal years 1999–2003.

Major New Trust Fund Programs

Responding to emerging development challenges, the donor community agreed to establish several major new trust fund programs for Bank administration during fiscal 2003. These included the Financial Sector Reform and Strengthening Initiative, the

Figure 2.17 Trust Fund Contributions and Disbursements, Fiscal 1999–2003
(millions of dollars)



Global International Comparison Program, the Global Program to Eradicate Poliomyelitis, and the Least Developed Countries Fund for Climate Change.

Donor Consultations and Trust Fund

Policy Reforms

During fiscal 2003 the Bank continued its consultations with trust fund donors on the ongoing trust fund policy reforms and launched a new framework for managing consultant trust funds. The main thrust of these trust fund–related reforms is aimed at standardizing trust fund policies and procedures; aligning trust fund activities with Bank strategies and priorities; improving staff accountability in managing trust funds through a trust fund learning and accreditation program; enhancing the financial controls over trust funds; improving access to financial reporting; and simplifying and standardizing audit arrangements for trust funds.

COFINANCING

Cofinancing describes funds committed to specific Bank-funded projects by official bilateral and multilateral partners, export credit agencies, and private sources. It enables the Bank to leverage its resources with additional financing, at concessional terms, to benefit the recipient country. In fiscal 2003 IBRD and IDA financing was supplemented by \$3.0 billion from such sources. Major cofinancing partners in fiscal 2003 included the Inter-American Development Bank, the Global Environment Facility, and the European Investment Bank.

In fiscal 2003 the largest share of cofinancing funds went to the following regions: Latin America and the Caribbean (\$0.87 billion), Africa (\$0.85 billion), and East Asia and Pacific (\$0.64 billion). Figure 2.18 shows cofinancing funds allocated by region.

Major Project Cofinancing in Fiscal 2003

A total of 103 projects were cofinanced by the Bank and its partners during fiscal 2003. Examples of projects with significant cofinancing include (a) the Colombia Social Sector Adjustment Program (\$390 million); (b) the Ghana Health Sector Program Support Project II (\$310 million); (c) the Mexico Rural Finance Development Structural Adjustment Loan (\$300 million); and (d) the Jordan Education Reform for Knowledge Project (\$120 million).

Figure 2.18 Cofinancing Funds by Region, Fiscal 2000–03
(millions of dollars)

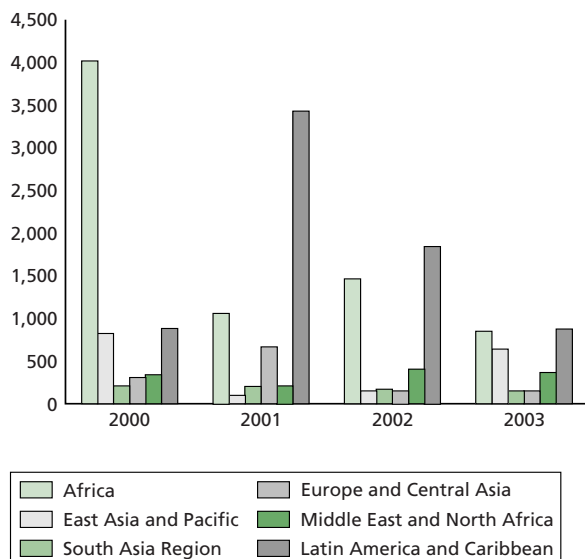


Figure 2.19 Total Bank Lending vs. Cofinancing, Fiscal 2000–03
(billions of dollars)

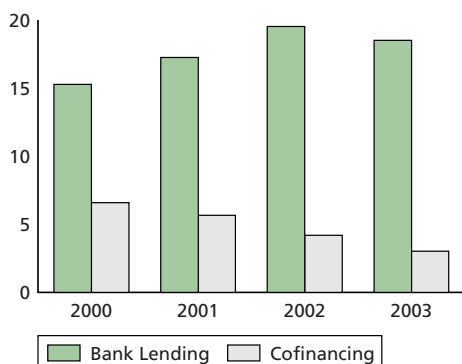


Figure 2.19 shows total Bank lending and cofinancing for fiscal 2000–03.

SPECIAL ASSISTANCE IN FISCAL 2003

Accelerated Debt Relief

Efforts to provide debt relief to the world’s poorest and most heavily indebted countries continued to make good progress in fiscal 2003. As one part of a comprehensive development strategy, the HIPC Initiative is well on the way to achieving its fundamental goal of giving a fresh start to HIPC by cutting their external debt to a manageable level. Twenty-six countries—

two-thirds of the eligible HIPC—are now receiving relief that will amount to more than \$40 billion from all creditors over time. Of these countries, Benin and Mali recently completed the program, bringing to eight the total number of countries that have reached the point of program completion. The other six countries that have completed the program are Bolivia, Burkina Faso, Mauritania, Mozambique, Tanzania, and Uganda.

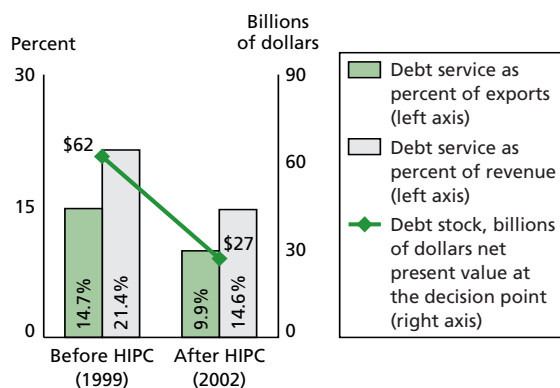
Key challenges facing the HIPC Initiative include (a) encouraging countries, many of which are conflict-affected, to reach the decision point while maintaining the policy performance standards in the framework; (b) encouraging countries in the interim period to proceed expeditiously toward meeting the requirements of the completion point; (c) working within the Poverty Reduction Strategy Paper (PRSP) framework after the completion point to achieve the MDGs in heavily indebted countries while maintaining long-term debt sustainability; (d) improving participation by certain non-Paris Club official bilateral, commercial, and some small multilateral creditors; and (e) continuing to support heavily indebted countries’ pro-poor growth strategies, recognizing that the Initiative is one instrument that will contribute to achieving this objective. Figure 2.20 shows HIPC debt relief. Trends in social spending before and after HIPC relief are shown in figure 2.21.

A major focus of attention in fiscal 2003 has been to develop strategies that ensure that low-income countries do not relapse into problems of indebtedness. Workshops have been organized in collaboration with bilateral donors to address longer-term issues of debt sustainability, and it is expected that those initiatives will become a continuing feature of Bank work. Complementary to those efforts, the Bank’s CASs for HIPC and some other low-income countries now include assessments of debt sustainability.

Most of the countries that are still unable to participate in the program have been affected by conflict. The HIPC Unit is working closely with the Low-Income Countries Under Stress (LICUS) Initiative to address the special problems of these countries. The Bank is also supporting other initiatives, including a Transitional Support Strategy in Burundi; country reengagement strategies in both the Central African Republic and Sudan; postconflict funds in the Republic of Congo; and the Somalia Aid Coordination Body.

Countries eligible for HIPC debt relief must prepare Interim Poverty Reduction Strategy Papers (I-PRSPs) to reach completion points. The PRSP

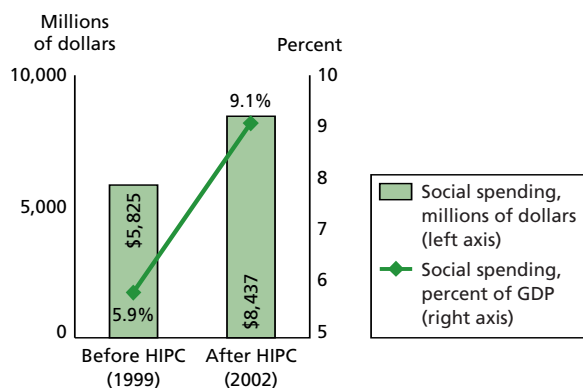
Figure 2.20 Heavily Indebted Poor Countries (HIPC) Debt Relief—Reduced Debt Stock and Improving Debt Service Ratios



Note: Weighted averages for the 26 countries that had reached the decision point as of end-March 2003.

Source: World Bank: Heavily Indebted Poor Countries (HIPC)—Status of Implementation, September 28, 2002; Heavily Indebted Poor Countries (HIPC) Initiative—Statistical Update, March 2003.

Figure 2.21 Trends in Social Spending before and after Assistance under the HIPC Initiative



Note: Weighted averages for the 26 countries that had reached the decision point as of end-March 2003.

Source: World Bank: Heavily Indebted Poor Countries (HIPC) Initiative—Statistical Update, March 2003.

provides a nationally owned framework within which savings from debt relief can be redirected to support programs for reducing poverty. These programs reflect locally established priorities prepared on the basis of a broad consultative process that incorporates the views of country stakeholders, including civil society organizations. The PRSP process, with its emphasis on pro-poor growth, long-term poverty reduction, and working toward achieving the MDGs, has extended beyond countries eligible for the HIPC Initiative to cover a wider group of countries that receive IDA financing.

For those countries, Bank CASs are now normally expected to be based on country-owned PRSPs.

Poverty Reduction Support Credits

The PRSP approach enables development strategy and development assistance to be grounded in a broad-based, participatory, and country-owned process. PRSCs are designed to support this process in countries with good policies and sound public institutions. PRSCs provide customized support to country-developed and country-owned reform programs after extensive consultations among stakeholders. They focus on building government capacity and institutions, particularly those that serve poor people.

PRSCs have been approved this year for Burkina Faso, Ghana, Guyana, Sri Lanka, Tanzania, Uganda, and Vietnam. Continued dialogue with representatives from PRSP countries, development partners, and civil society organizations reinforces the importance of adapting PRSP processes to specific country circumstances, setting realistic priorities and targets in country-owned PRSPs, and supporting their implementation through improved harmonization of donor policies.

Afghanistan

The \$108 million Emergency Transport Rehabilitation Project financed by an IDA credit will help remove transportation bottlenecks and promote rehabilitation of the country's highway and aviation networks. The fiscal 2002 \$42 million Emergency Public Works and Community Empowerment Project provided for the rehabilitation of the Salang Tunnel. The tunnel covers a critical section of the highway connecting the city of Kabul to eight provinces and is Kabul's only entry point for humanitarian aid and other goods and for refugees returning from the north.

Iraq

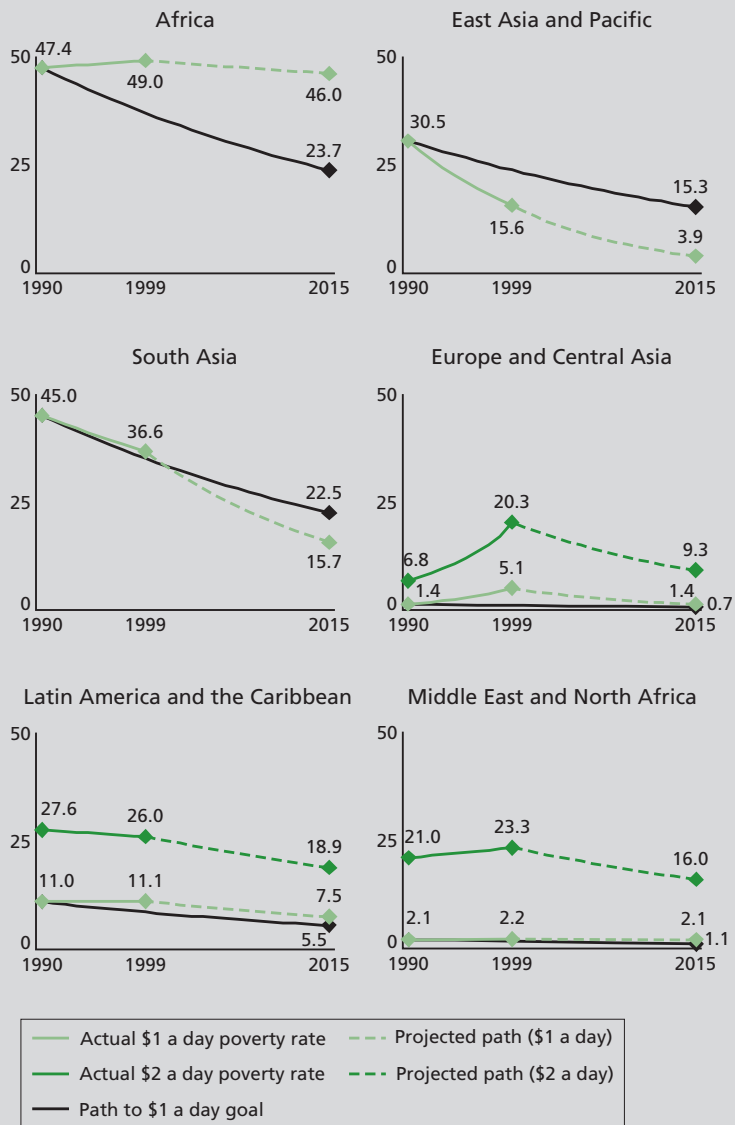
In line with Development Committee discussions in April 2003, the Bank's Board authorized its management to undertake a needs assessment for Iraq, including dispatching fact-finding missions to Iraq to assess rebuilding needs. The Bank is assessing the most pressing needs for the country's reconstruction, working with the United Nations, the Islamic Development Bank, and the European Union, among others. (See "Middle East and North Africa" in chapter 5 of this report.)



Chapter 3

Improving Development Effectiveness

Population Living below \$1 and \$2 a Day (percent)



Note: The graphs for Africa, East Asia and Pacific, and South Asia do not include figures for \$2 a day.
 Source: World Bank. 2003. *World Development Indicators 2003*. Washington, D.C.

The charts and maps in this chapter show progress toward the MDGs based on present trends. They represent an assessment of where countries and regions now stand and not a prediction of final outcome.

Improving Development Effectiveness

The world in which development organizations work has changed. The new era of global interconnectedness and deeper concern for global stability and prosperity requires development efforts that go beyond process to achieve results through measurable outcomes. Such outcomes include greater numbers of families lifted out of poverty, higher levels of education reached by adults, and lowered infant mortality rates. Countries need to focus on results so that they can make better policy decisions and design better strategies for country-led development. The new partnership for development that emerged from the Monterrey, Johannesburg, and Doha summits emphasizes results in order to accelerate and monitor progress toward achieving the Millennium Development Goals (MDGs). The World Bank's results agenda is an action plan to enhance the Bank's effectiveness as a development agency. It involves several components: setting clear objectives, establishing indicators that can be monitored, linking activities with intended results, and using that information in making management decisions.

THE RESULTS AGENDA

The Bank's agenda for results is based on the simple idea that results can be improved by increasing management attention to them. This approach proved successful in recent years with respect to quality. In the mid-1990s the Bank began to track the quality of its loan approvals and analytical work. This has led to progressive improvements in the quality of products and services to contribute to improvements in country outcomes. This agenda recognizes that we need to examine results throughout the development cycle: early on, for strategic planning and program design; during the life of the project, for day-to-day management and corrections to strategy; and toward the end, for ex post evaluation and feedback for future work.

The Bank's action plan includes these components: building country capacity to focus on results in policy and management decisions, including results-based monitoring and evaluation; fine-tuning Bank incentives, instruments, and procedures, and strengthening the Bank's capacity to focus on results; and promoting a global partnership on managing for results to enhance impact through collective action.

Building Country Capacity

Ultimately it is the countries that achieve results, with support from development agencies and other partners. But many countries lack appropriate monitoring and evaluation systems to enable policymakers to track progress toward results; demonstrate the outcomes and effects of a given policy, program, or project; and feed these findings back into policy decisions. In many countries the basic statistics to assess changes in such core areas as poverty, health, and education during a three-to-five-year period of a Poverty Reduction Strategy Paper (PRSP) are weak or missing. The Bank's action plan focuses first on fostering countries' demand to measure and monitor results, and on building their capacity to derive and use results information. This can be achieved by strengthening the results focus of PRSPs in low-income countries; strengthening public sector focus on results through public sector management programs; and supporting improved national statistical systems through a simplified lending program for statistical capacity building.

Tracking Progress toward Results

It is not enough to have well-designed projects that achieve their objectives—the objectives must contribute to growth, social welfare, and poverty reduction at the country level. The Bank's strategies and instruments will need to reflect the shift from focusing solely on project-level results to measuring country-level results. This will include strengthening the focus on

outcomes; incorporating a clearer definition of country outcomes and how the Bank's program contributes to them in Country Assistance Strategies (CASs), sector strategies, investment lending, and policy-based lending; and simplifying the required documents and processes. It also calls for an integrated architecture that allows better tracking of progress through measurable indicators at the project, country, sector, and global levels.

Keeping track of progress toward results is important in helping the borrowers achieve results, managing the Bank's work, and demonstrating the effectiveness of efforts. A number of improvements are planned that will incorporate systematic assessment of results into Bank review processes, including the annual portfolio review process (see the discussion of the Bank's Quality Assurance Group, below), the IDA measurement system, and the strategy and budget processes.

Simplifying Policies and Procedures

To enhance its contribution to country results, the Bank worked this year in three areas to simplify and modernize its internal policies and procedures (which, at the same time, will complement its harmonization agenda). In the area of *financial management*, it developed major changes to its audit policies, agreed with donors on harmonized processes for financial reporting and auditing, and began a review of the rules on eligibility of expenditures.

In the area of *lending policy and procedures*, the Bank undertook extensive consultations on the proposed update of the Bank's operational policy on adjustment lending and the procedures for approving retroactive extensions of closing dates; established streamlined procedures for additional financing (repeater projects) and simple, low-risk projects; completed simplified and modernized templates and guidelines for the main investment lending documents; and activated a hotline to help staff quickly resolve operational issues.

In the area of *procurement*, the Bank is working with other multilateral development banks to harmonize policy, procedures, and standardized bidding documents. In this area, Bank management is in consultations with donors, borrowers, the industry, and civil society on a proposal for modifications to the Bank's procurement guidelines to be submitted for Board approval. The revised guidelines will enable the Bank to move toward use of electronic procurement systems support to simplify procedures and harmonize

policies. In addition to the higher thresholds already implemented for delegation to field offices, prior review of borrowers' actions, and increased use of national competitive bidding, this effort will help lower transaction costs for partner countries. Country Procurement Assessment Reports and Country Financial Accountability Assessments are now economic and sector work products.

Forming Partnerships for Better Results

Getting better results at the country level requires the collaborative action of a community of practitioners among agencies and countries. One of the key challenges for the Bank and its partners is to coordinate international results reporting so that a core set of country outcome indicators is aligned with PRSP priorities and linked to the MDGs. Another challenge is to identify country-level data gaps and offer coordinated support to address statistical capacity building in countries.

Within the Bank the results agenda is an evolutionary process. Many Bank units have already achieved progress. For example, a revised PRSP Sourcebook (published in two volumes as *A Sourcebook for Poverty Reduction Strategies*) for use by client countries contains strengthened chapters on setting targets, monitoring and evaluation, and the role of civil society in tracking progress. More public sector analytical work and loans are addressing the use of results-based monitoring and evaluation as a tool for better management. A number of country teams, such as those in Cameroon and Ukraine, are pilot-testing the results-based CASs. The Bank has developed a new lending application—StatCap—to encourage a multidonor approach to building statistical capacity on the basis of a statistical master plan. Ukraine is the first country to use this application. Additional funding is now available for other countries and country teams interested in the program. (See “data” in “About Us” at www.worldbank.org.)

The results agenda is aimed at producing more effective outcomes and adding to the progress already made toward the MDGs.

THE CHALLENGE OF ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS

The MDGs commit the international community to an expanded vision of development, one that vigorously promotes human development as the key to sustaining

social and economic progress in all countries, and recognizes the importance of creating a global partnership for development. For the World Bank, the MDGs present both opportunities and challenges—to rise to a higher level of operational effectiveness and to deliver higher quality products and services to our clients.

Poverty and Hunger

The first of the MDGs calls for cutting the proportion of people living in extreme poverty and those suffering from hunger to half the 1990 level by 2015. Children experience malnutrition when they consume too little food energy to meet the body's needs. Adding to the problem are diets that lack essential nutrients, illnesses that deplete those nutrients, and undernourished mothers who give birth to underweight children. Regional trends show high malnutrition rates in South Asia and rising rates in Sub-Saharan Africa. Many countries in these regions may have difficulty achieving the target based on current trends. (See figure 3.1.)

Universal Primary Education

Figure 3.2 shows progress toward universal primary education, measured by primary school completion

rates: the proportion of children successfully completing the last year of primary school. Three regions—East Asia and Pacific, Europe and Central Asia, and Latin America and the Caribbean—are close to being on track for achieving the goal of universal primary education. But three more regions, with 150 million primary-school-age children, are in danger of falling short. Sub-Saharan Africa lags farthest behind, with little progress made since 1990. South Asia has had chronically low enrollment and completion rates, and the Middle East and North Africa has made little progress since 1990, although a few countries in both regions have made large gains. Removing impediments and reducing costs can help boost enrollments.

Gender Equality

Gender disparities exist everywhere in the world. Women are underrepresented in local and national decisionmaking bodies. They earn less than men and are less likely to participate in paid employment. And in many low-income countries girls are less likely to attend school. All regions, except Latin America and the Caribbean, are still short of the target, which is set for 2005. (See figure 3.3.) The differences between

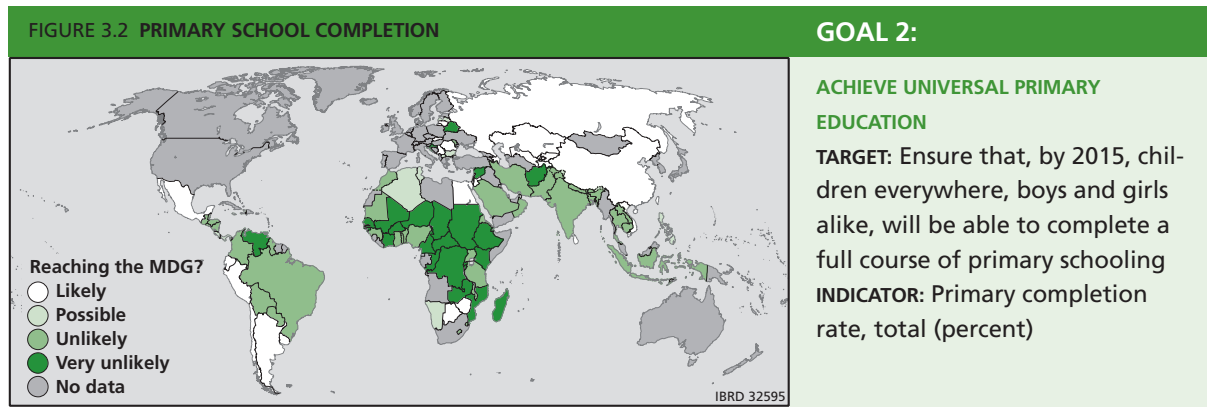
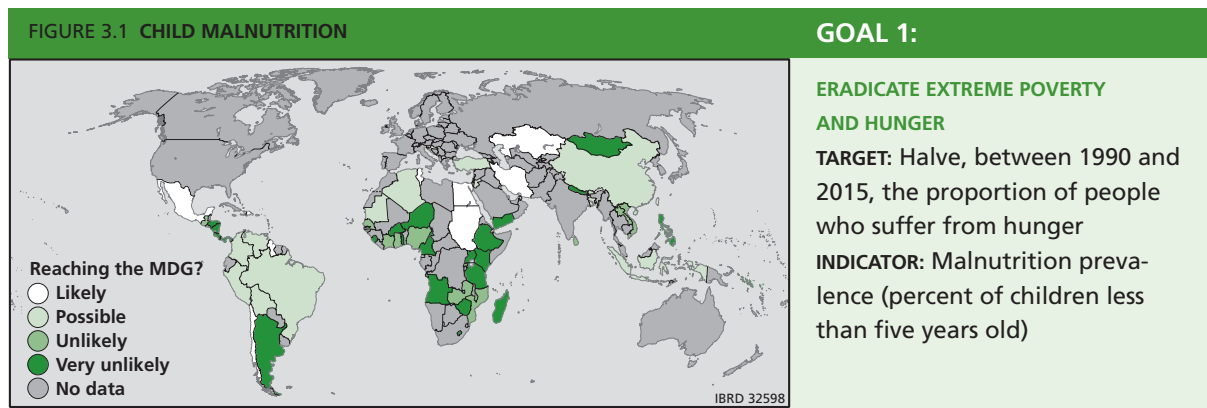
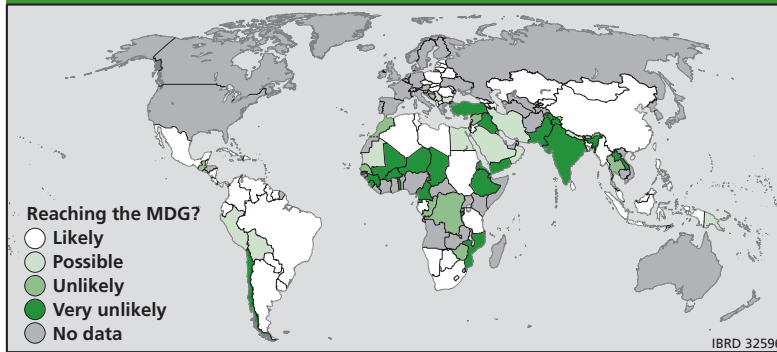


FIGURE 3.3 GENDER EQUALITY IN EDUCATION



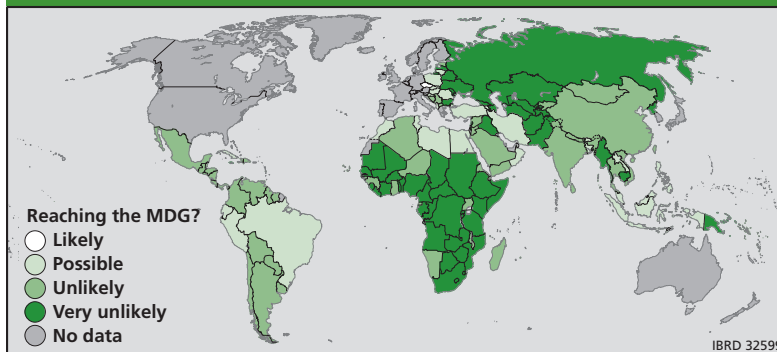
GOAL 3:

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

TARGET: Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015

INDICATOR: Ratio of girls to boys in primary and secondary education

FIGURE 3.4 CHILD MORTALITY



GOAL 4:

REDUCE CHILD MORTALITY

TARGET: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

INDICATOR: Mortality rate, less than five years old (per 1,000 live births)

boys' and girls' schooling are greatest in regions with the lowest primary school completion rates and lowest average incomes. In Sub-Saharan Africa the ratio of girls' to boys' enrollments in primary and secondary school has barely changed since 1990. In 1998 it stood at 80 percent. Progress has been greater in South Asia, but girls' enrollments reached only 78 percent of those of boys in 1998.

Child Mortality

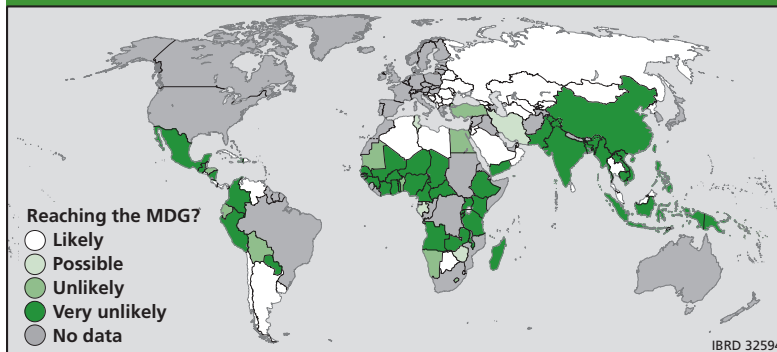
Rapid improvements before 1990 gave hope that mortality rates for children under five could be cut by two-thirds in the following 25 years. But progress slowed almost everywhere in the 1990s. And no region, except possibly Latin America and the Caribbean, is on track to achieve that target. (See figure 3.4.) Progress has been particularly slow in Sub-Saharan Africa, where civil disturbances and the human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) epidemic have driven up child mortality rates in several countries. In 2001 the average under-five mortality rate was 121 deaths per 1,000 live births in low-income countries, 41 in lower-middle-income

countries, and 27 in upper-middle-income countries. In high-income countries the rate was less than 7. Improvements in infant and child mortality have come slowly in low-income countries, where mortality rates have fallen by only 12 percent since 1990. Upper-middle-income countries have made the greatest improvement, reducing average mortality rates by 36 percent. But even this falls short of the rate needed to reach the target.

Maternal Health

To reduce maternal mortality rates women need access to modern health services. The share of births attended by skilled health staff provides a good index of where the need is greatest. Only 58 percent of women in developing countries give birth with the assistance of a trained midwife or doctor. In Latin America, where the share of births attended by skilled health personnel is high, maternal mortality is relatively low. And many countries in Europe and Central Asia and in the Middle East and North Africa appear to be making progress fast enough to achieve the target. But in Africa, where skilled attendants and health facilities are

FIGURE 3.5 MATERNAL MORTALITY



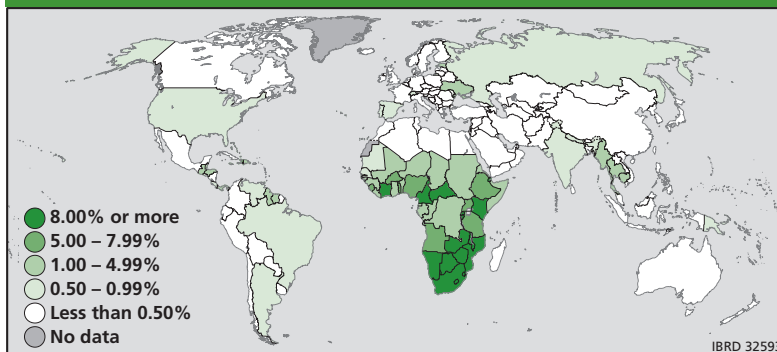
GOAL 5:

IMPROVE MATERNAL HEALTH

TARGET: Reduce by three-quarters the maternal mortality ratio, between 1990 and 2015

INDICATOR: Births attended by health staff (percent of total)

FIGURE 3.6 HIV/AIDS PREVALENCE



GOAL 6:

COMBAT HIV/AIDS, MALARIA, AND OTHER DISEASES

TARGET: Have halted and begun to reverse the spread of HIV/AIDS by 2015

INDICATOR: Prevalence of HIV, total (percent of population ages 15–49)

not readily available, maternal mortality is very high and progress toward the target is slow. (See figure 3.5.)

HIV/AIDS

In Africa the spread of HIV/AIDS has reversed decades of improvements in life expectancy and left millions of children orphaned. It is draining the supply of teachers and eroding the quality of education. In 2002, 42 million people, including 3.2 million children, were living with HIV/AIDS—more than 95 percent of them in developing countries and 70 percent in Sub-Saharan Africa. There were almost a million new cases in South and East Asia, where more than 7 million people are now living with HIV/AIDS. Current projections suggest that, by 2010, 45 million more people in low- and middle-income countries will become infected unless the world mounts an effective campaign to halt the disease’s spread. (See figure 3.6.)

Environmental Sustainability

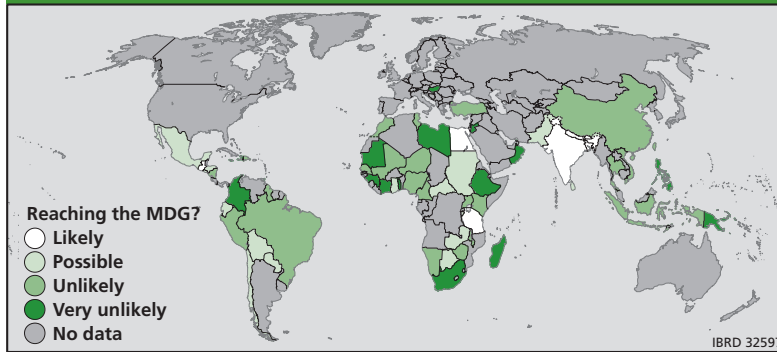
An improved water source is any form of water collection or piping used to make water regularly available. It is not the same as “safe water,” but there is no practical

measure of whether water supplies are safe. Connecting all households to a reliable source of water that is reasonably protected from contamination would be an important step toward improving health and reducing the time spent collecting water. In 2000, 1.2 billion people still lacked access to an improved water source, 40 percent of them in East Asia and the Pacific region and 25 percent in Sub-Saharan Africa. Meeting the MDGs will require providing about 1.5 billion people with access to safe water between 2000 and 2015. Although many countries in South Asia appear to be on track to achieve the goal, the Middle East and North Africa—with water a scarce resource—will struggle. (See figure 3.7.)

Global Partnership

Goal eight complements the first seven. It commits wealthy countries to work with developing countries to create an environment in which rapid, sustainable development is possible. It calls for an open, rule-based trading and financial system, more generous aid to countries committed to poverty reduction, and relief for the debt problems of developing countries. Aid is

FIGURE 3.7 IMPROVED WATER SOURCE



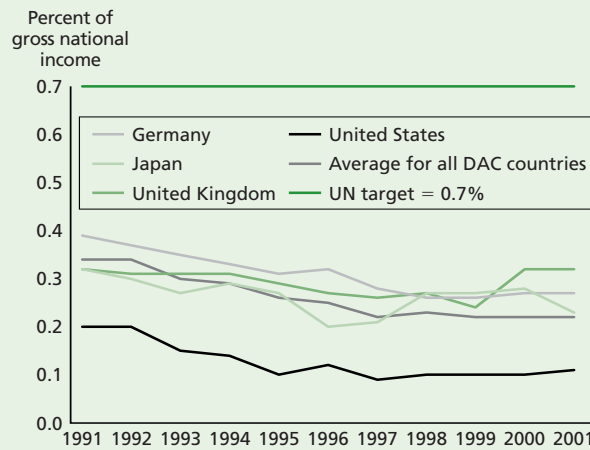
GOAL 7:

ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET: Halve the proportion of people without sustainable access to safe drinking water by 2015

INDICATOR: Improved water source (percent of population without access)

FIGURE 3.8 NET OFFICIAL DEVELOPMENT ASSISTANCE



Note: Data for 2001 are preliminary.
Source: OECD's Development Assistance Committee.

GOAL 8:

DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

TARGET: Further develop an open, rule-based, predictable, nondiscriminatory trading and financial system

INDICATOR: Net ODA as percentage of OECD/DAC donors' gross national income

most effective in reducing poverty when it goes to poor countries with good economic policies and sound governance. Aid levels have been falling, both in comparison with the size of donor country economies and in nominal terms. (See figure 3.8.) To help the poorest countries reach the MDGs, official development assistance will need to double from its current level of \$52 billion a year.

ASSESSING THE QUALITY OF BANK ACTIVITIES

The Bank's Quality Assurance Group (QAG) has a mandate to monitor the current quality of the Bank's projects and analytical work. It reports directly to senior management but shares its synthesis reports with the Board. (These are posted at www.worldbank.org.) Its assessments involve peer review panels and draw every year on several hundred senior staff as well as external seasoned professionals.

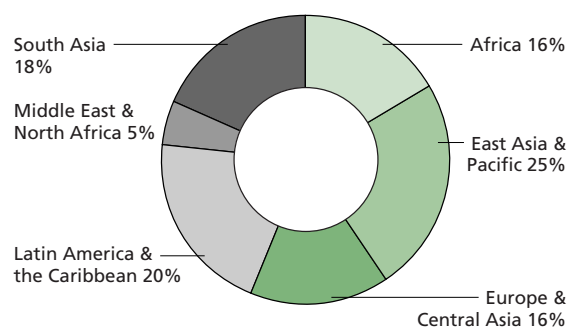
This approach provides both credibility and a fast learning cycle back to front-line Bank operations. QAG assesses the quality of new projects in "real time": it gives immediate feedback to task teams and their managers when a project is approved (quality-at-entry) and in midcycle (quality of supervision). It also assesses Bank analytical and advisory services known as economic and sector work (ESW), just after delivery to clients. Its flagship "Annual Report on Portfolio Performance" explores the scale, structure, performance, and quality of the active portfolio. It also presents an analytical perspective on one or two key challenges to ongoing Bank operations. This year its focus was on the MDGs and the shift to a *results* perspective.

A composite index of quality, combining all three QAG quality indicators, shows a 90 percent satisfactory rating for fiscal 2002, a very solid advance on the first set of assessments for fiscal 1998 that showed a 79 percent satisfactory rating. There was some slippage this

fiscal year on one important indicator, quality-at-entry, which was rated 86 percent satisfactory. The most significant deterioration was in the quality of project implementation arrangements, which can critically affect the chances of projects achieving their development objectives. The QAG exercises identified other points of vulnerability: monitoring and evaluation arrangements, risk assessment, and realism and candor in reporting.

Riskiness, a measure of the likelihood of reaching development objectives, is a central portfolio indicator. A key message, agreed on with the Board, is that there is an optimal level of this indicator, one that balances innovation and calculated risk taking with concerns for fiduciary responsibility. A “balanced” Bank portfolio implicitly must often contain projects deemed “risky.” For fiscal 2002, using an enhanced set of leading indicators that QAG hoped would correct for some possible overestimating in recent years, projects-at-risk rose to 19 percent of the active portfolio, comfortably within the target range of

Figure 3.9 Active Project Portfolio by Region as of June 30, 2003
Share of total lending of \$96.8 billion



15–20 percent. These results were judged to be in part the result of more candid reporting, but QAG also notes that even greater realism is needed in these assessments. Over the last decade improvements in this measure of development impact imply that some \$10 billion more of Bank-supported projects are meeting their goals.

Case Study: Education for All

Case Studies

During fiscal 2003 the Bank conducted case studies in a number of countries to examine progress on three important initiatives: Education for All, HIV/AIDS programs, and water delivery in rural communities. The results are summarized here.

Worldwide, 115 million children do not attend primary school. Education is the backbone of society and the foundation for a strong economy. How can countries achieve universal primary education and reach the international goal of Education for All (EFA) by 2015?

Twenty case studies from Brazil, Guinea, India, and Uganda illustrate key factors for accelerating progress toward EFA. Guinea’s experience shows that EFA success can be achieved through sustained, long-term commitment to results, even under adverse circumstances. Uganda highlights how important it is to have political commitment and flexible donor support. Brazil’s experience demonstrates that a country can reach the 10–15 percent of the out-of-school population through a concerted focus on equity and quality. India shows that achieving

such EFA goals as equity and quality is possible even in a very large country. Moreover, India underscores the importance of country-specific solutions, donor flexibility, and country ownership.

After reviewing these country case studies the Bank found several elements necessary for achieving EFA:

- Strong political commitment, sound policy, and an effective strategy
- Concerted efforts to mobilize and efficiently use domestic resources
- Focus on results, which means addressing the inequitable distribution of educational opportunities. Poor people, rural dwellers, girls, indigenous groups, and disabled people often have

less access to high-quality education

- Emphasis on the school and the classroom as essential components for educational change, along with more attention to middle managers in the educational system.

In 2002 the international community endorsed the EFA Fast-Track Initiative to accelerate progress toward EFA goals. The Fast-Track Initiative has already led to many positive developments: intensified collaboration among the World Bank and various United Nations (U.N.) agencies; renewed interest among international non-governmental organizations and civil society organizations in universal primary education; and a greater focus on the development agenda and policy debate in fast-track countries.

A high level of riskiness is inherent in the development process. This reflects the continuing reality of frequently difficult global and regional economic conditions, including those in several large borrowing countries. Over the years, crisis-related lending has increased, with the Bank joining international assistance packages, often in partnership with the International Monetary Fund. There has been an increase in the estimated riskiness of the adjustment lending portfolio; this is judged to reflect crisis context and often sensitive country circumstances rather than poor preparation or supervision.

Although supervision was rated 85 percent satisfactory, the “Quality of Supervision” report suggested that Bank staff sometimes do not pay sufficient attention to the riskier elements of the portfolio, which often makes it difficult to remedy project deficiencies during implementation. The report suggested that incentives for seasoned managers and staff to work on risky projects—and in more vulnerable countries—need to be improved.

Over the past two years QAG has been adding a more integrated and client-focused dimension to its work. Based on a pilot program in 2002, QAG is now carrying out a baseline assessment of the quality of support provided by each sector board to the operations of the Bank. It has just completed a pilot program to assess the quality of analytical support and policy advice provided to a country across a full CAS cycle. The forthcoming “Annual Review of Portfolio Performance” will add a *results* dimension to its assessment of the overall portfolio.

INDEPENDENT EVALUATION

The Operations Evaluation Department (OED) is independent of Bank management and reports directly to the Executive Directors. It tracks the Bank’s development performance; analyzes the effectiveness of Bank projects, programs, and processes; draws lessons of operational experience; and advises the Board based on

Case Study: Fighting HIV/AIDS, Tuberculosis, and Malaria

HIV/AIDS, tuberculosis (TB), and malaria pose serious challenges to the developing world. In 2001 malaria caused 1 million deaths, TB nearly 2 million, and AIDS 3 million, of which 2.2 million were in Sub-Saharan Africa. These deadly diseases touch all segments of the economy and society, leaving children without parents and countries without their most productive workers. The international community has made combating these diseases an urgent priority.

Bank case studies in Brazil, China, Tanzania, and Uganda demonstrate that developing countries can effectively fight against these seemingly intractable diseases. In Brazil, for example, the adult rate of prevalence for HIV/AIDS has been contained at less than 1 percent. In China malaria

has declined from 30 million cases in 1950 to 20,000 cases in 2000.

A country needs four key elements to confront these diseases successfully:

1. Sound public policies
2. Strong health care capacity
3. Adequate financing
4. Effective monitoring and evaluation of results.

The foundation for these key elements is strong national leadership. Development assistance can play a vital role in these efforts by shaping better policies, building national capacity, injecting more financial resources, and strengthening the focus on results.

Development assistance already has made a difference in achieving success. If we are

to save millions of lives—achieve the MDG of reversing AIDS, TB, and malaria epidemics by 2015—the international community must continue to devote significant resources to this battle.

evaluations at the project, country, sector, and global levels.

Development Effectiveness Review

OED's evaluations provide the basis for its *Annual Review of Development Effectiveness (ARDE)*. The *ARDE 2002* identified three important messages related to the Bank's contribution toward achieving the MDGs:

1. Having endorsed the MDGs, the Bank has put in place a corporate strategy aligning Bank Group efforts with the MDGs and providing an overall framework for addressing them. The Bank, however, needs to assess and address the implications of the MDGs more fully, especially for its use of lending and administrative resources.
2. The Bank's country, sector, and global programs are consistent with the MDG themes and have increasingly focused on poverty reduction. This focus can be greatly enhanced by defining quantified and time-bound country targets for poverty

reduction and other relevant outcomes, and helping client countries design strategies to achieve them.

3. The performance of Bank-financed projects continues to exceed the Strategic Compact target of 75 percent satisfactory (see figure 3.10). The MDGs now challenge the Bank to demonstrate improvements at the country level—in terms of economic well-being, human development, and environmental sustainability. This will require outcome-focused, cross-sectoral strategies that capitalize on the comparative advantage of partners. "Business as usual" by countries and donors will not suffice.

Opportunities, Risks, and Challenges. Endorsed by all 189 United Nations member states in the 2000 Millennium Declaration, the MDGs represent an unprecedented agreement among the development community about key development outcomes. The themes embedded in the MDGs are not new to the Bank. The first of the goals—poverty reduction—has

Case Study: Water Delivery in Rural Communities

One billion people living in rural areas have no access to clean potable water, and nearly 2 billion people have no access to sanitation. As a result, more than 5 million people die each year from water-related diseases. Agriculture, the primary economic activity of poor rural people, is also the largest user of fresh water on the planet. Improved water management can lead to better health and greater livelihoods for rural people.

Bank case studies in Albania, Brazil, Ghana, India, the Nile Basin, and Turkey demonstrate that using a community-driven development approach to water management results in greater likelihood that water resources will be sustainable, user fees will be collected, and water management will be equitable and efficient. A successful community-driven water

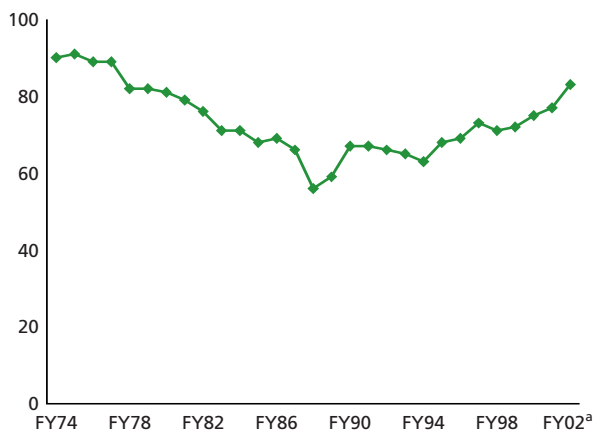
program needs to follow these 10 guidelines:

1. Ensure that the host country government and community groups feel ownership in the process.
2. Adapt the program design to local conditions rather than to internationally generalized models.
3. Use an approach that is responsive to local demands instead of a top-down approach.
4. Involve multiple stakeholders in comanaging programs and services.
5. Support a policy environment that helps deliver water to the community.
6. Link water and its management up the resource chain and the chain of government. For example, a water-user association manages a community water pump, the local government collects

fees, and the national government sets water policy.

7. View monitoring and evaluation as management and learning tools.
8. Emphasize capacity building of all stakeholders.
9. Plan for a long-term presence.
10. Harmonize approaches among the Bank, other donors, and civil society organizations.

Figure 3.10 Satisfactory Project Outcomes, 1974–2002
(percent satisfactory)



Note: Includes only lending operations.

a. Figures represent partial FY02 sample.

Source: OED calculations.

been the Bank's overarching objective since 1990. The newness of the MDGs lies in their focus on outcomes, on quantitative and time-bound development targets, and on developed-country obligations in a global partnership for development. These new aspects of the MDGs present an opportunity to increase the results focus of country and donor programs, to address the multisectoral determinants of outcomes, and to improve the measurement and monitoring of outcomes. They also should facilitate evaluation by providing better data on baselines and achievements.

At the same time, adopting the goals entails risks and challenges for the Bank. Based on current progress trends, many countries will not achieve the MDGs by 2015, which poses a risk of disappointment and cynicism. There are also challenges: localizing the global goals to country conditions, harnessing the contribution of sectors without an explicit goal, focusing on outcomes among poor countries and population groups rather than on global outcomes, and identifying the results chain and monitoring appropriate intermediate indicators. The Bank's effectiveness in addressing the development goals will depend on how well it manages these risks and challenges.

Findings. ARDE 2002 finds that the Bank's country, sector, and global programs are consistent with the MDG themes and that the Bank's support for them has been continuous. Moreover, performance at the individual project level shows an upward trend. The Bank must now scale up impact to the country level.

Although CASs have increasingly focused on poverty reduction, their goals are often expressed in terms of directions of change rather than in achieving specific targets. Poverty Reduction Strategy Papers, on the other hand, provide a clearer set of targets, although the realism and achievability of their targets can be improved. The Bank needs to define the objectives and targets of its country programs with greater specificity, deriving these from national targets established by countries in light of global development goals, and using PRSPs where applicable. It requires better analytical work, including stronger poverty analysis.

The Bank's sector strategies show increasing attention to poverty linkages. Although they also increasingly recognize the multisectoral determinants of outcomes, they do not yet provide guidance on how to develop multisectoral strategies to achieve specific outcomes in various country settings. The strategies need a more effective institutional mechanism to foster the design and implementation of cross-sectoral strategies.

All Bank-supported global programs broadly support the MDGs. But few involve developing countries in their governance and management, and few focus on global public policy formulation involving developed-country policies. Complementary country-level investments have received insufficient attention. Global programs are no better than other development efforts at monitoring and evaluating their activities—typically monitoring funds inputs but not outcomes.

The monitoring of both project outcomes and the effectiveness of Bank programs in addressing the MDGs needs strengthening. The Bank should pay greater attention to helping clients improve the quantity and quality of relevant data to measure and improve progress toward the goals.

Country Evaluation Findings

Country Assistance Evaluations (CAEs) carried out by OED concentrate on the development effectiveness of the Bank's entire program of assistance to each country. They provide opportunities to assess lending and advisory services in the context of the CAS. OED undertook seven country evaluations in fiscal 2003.

Results from these evaluations confirm that the Bank's country programs pay significant attention to poverty reduction, primary education, and primary health services. A number of OED CAEs noted improved treatment of poverty in the Bank's country programs. Those CAEs also observed that even in some countries with low levels of poverty, poverty reduction has been a major focus of the Bank's country

programs. Country programs in transition countries, however, have been less successful at incorporating goals for poverty reduction.

Sector and Thematic Evaluation Findings

OED sector and thematic evaluations address issues that cut across Bank operations, such as the effectiveness of dialogue between borrowers and the Bank on policies and on project selection, design, and implementation. OED bases many of these studies on portfolio-wide evaluations, country case studies, and assessments of nonlending services, including economic and sector work. The studies draw on external advisory panels and incorporate such participatory features as public consultations, workshops, Web-based discussion groups, and enhanced dissemination. Sector and thematic evaluations will feed into the revision or formulation of a Sector Strategy Paper.

A Joint Review on Private Sector Development in Electricity (PSDE) conducted by OED, IFC's Operations Evaluation Group, and MIGA's Operations Evaluation Unit found that outcomes of IFC and MIGA transactions were positive but that the Bank's PSDE project-level outcomes were disappointing. The study also found that much work remained to be done to integrate poverty reduction and environmental mainstreaming into the design of power sector reforms and PSDE strategies.

Corporate Evaluation Findings

OED's *Debt Relief for the Poorest: An OED Review of the HIPC Initiative* found that the core purpose of the Initiative—to reduce the elevated debt levels in eligible countries—was highly relevant from both political economy or aid effectiveness perspectives. HIPC, as a group, are receiving an increasing share of declining global aid resources; transfers to other poor (but not highly indebted) countries appear to be declining correspondingly. In absolute terms, however, HIPC are receiving less than they did in 1995. The HIPC Initiative's emphasis on expenditures in the social services has led to increased health and education spending in national budgets, but more focus on growth-enhancing programs is warranted.

Global Evaluation Findings

The Bank now supports about 70 global programs with financial contributions in fiscal 2003 in excess of \$150 million. At the request of the Board, in fiscal 2001 OED initiated an independent review of the

BOX 3.1 AID EFFECTIVENESS AND CAPACITY BUILDING

The World Bank Institute (WBI) worked closely with several external partners in 2003 to forge a consensus on what capacity enhancement means for development outcomes and the implications for training institutes worldwide. Participants at a symposium in Manila, the Philippines, cosponsored with the United Nations Development Programme, the Japan International Cooperation Agency, and the Canadian International Development Agency, identified three levels of capacity building: individual, institutional, and organizational. As a follow-up, WBI cosponsored a workshop with InWent (Capacity Building International, Germany) on what the new emphasis on results-oriented capacity building means for individual training institutions. A broad agenda for improving collaboration and coordination among training institutions at global, regional, and country levels was identified, including issues of rationalizing courseware, clarifying matters of intellectual property rights, and joint staff training. (See www.worldbank.org/wbi/RCET/berlin_workshop.)

development effectiveness of the Bank's growing portfolio of such programs, assessing the Bank's performance at three levels: corporate strategy, programmatic management, and individual programs. The review has resulted in two reports. The first, "The World Bank's Approach to Global Programs: An Independent Evaluation," focused on the Bank's strategic and programmatic management of its portfolio global programs. The report already has resulted in a senior management proposal to improve management and strengthen Bank-wide strategies and priorities.

The second, *The CGIAR at 31: An Independent Meta-Evaluation of the Consultative Group on International Agricultural Research* (forthcoming), examined the Consultative Group on International Agricultural Research (CGIAR). According to the report the CGIAR's productivity-enhancing research has had sizeable impacts on reducing poverty by increasing employment, raising incomes, lowering food prices, and releasing land from agricultural use. The report noted, however, that the Consultative Group is less focused on enhancing agricultural productivity than it used to be, and it has not responded sufficiently at the system level

to the biotechnology revolution, the increasing importance of intellectual property rights, and the growth of private sector research.

Committee on Development Effectiveness

The mandate of the Committee on Development Effectiveness (CODE) is to monitor and assess the Bank Group's effectiveness in fulfilling its mission of reducing poverty. The Committee reviews the work of the OED, management's responses thereto, and selected reports from management to satisfy itself that the Bank's operations evaluation and self-evaluation activities are adequate and efficient. The Committee also prepares for Board review of and decisions on selected operations evaluation and high-priority development effectiveness issues, and it monitors the implementation of Board decisions with a view to ensuring that the overall purpose of reducing poverty is being served.

RISK MANAGEMENT

The Bank faces a wide range of increasingly complex risks, and the challenge is ensuring that risk taking is deliberate and consistent with the Bank's mission.

Sound risk management requires continued focus on financial decisions and on fiduciary compliance. But it must also be comprehensive—to ensure that opportunities are not missed and that the full range of risks is considered.

The Integrated Risk Management Framework adopted in fiscal 2003 builds on the Bank's long-standing risk management practices and aims to produce value greater than the sum of the parts. It focuses on strategic effectiveness, operational efficiency, stakeholder support, and financial soundness. These four focal areas represent an organizing principle—and are part of a whole. By reviewing potential risk areas, the Bank's Management Committee, made up of the Bank's Managing Directors, can provide oversight and policy guidance for risk taking at all levels of the Bank. The aim is to promote better risk taking, not risk avoidance, and thus contribute to greater development impact from all resources at the Bank's disposal. The financial risk management process is described fully in volume 2 of the *Annual Report*, in "Management's Discussion and Analysis."



Chapter 4

Thematic Perspectives

Poverty Reduction and Economic Management	60
Investing in People	65
Toward Environmentally and Socially Responsible Growth	69
Supporting Private Sector Development and Infrastructure	73
Building Strong Financial Systems	78
Promoting Appropriate Legal and Judicial Systems	81

Poverty Reduction and Economic Management

The Poverty Reduction and Economic Management network seeks to expand the knowledge base that leads to better design of policies to promote pro-poor economic growth, and to promote an enabling international environment in which developing countries can carry out such policies in a sustainable manner.

POVERTY REDUCTION STRATEGY PAPERS AND RELATED ACTIVITIES

Most of the world's poorest people live in low-income countries. The World Bank's strategy for attacking poverty in these countries continues to be founded in the Poverty Reduction Strategy Paper (PRSP) approach. During fiscal 2003 the Executive Directors considered 21 more full country-owned PRSPs and 2 Interim PRSPs (I-PRSPs), bringing the totals to 28 and 46, respectively. Work to strengthen the role of stakeholders in the PRSP process has included a "Democratizing Development" conference for non-governmental organizations and a program for parliamentarians in PRSP countries. Regional outreach has included an initiative in Africa for trade unions and regional poverty forums in the Commonwealth of Independent States-7 (CIS-7) and the Balkans. Dissemination of guidance on the PRSP approach has included extensive distribution of the PRSP Good Practice pamphlet, updating of the PRSP Sourcebook, and development of the Attacking Poverty course for Bank staff. (See www.worldbank.org/poverty/strategies.)

Key challenges for the Bank are to strengthen the alignment of its assistance strategies with countries' poverty reduction strategies (PRSPs), and to support the knowledge base and skills for carrying out these strategies. To improve alignment, Bank and International Monetary Fund (IMF) staff, consulting with other donors, have outlined a framework for coordinating budget support with countries' implementation of their PRSPs. With the IMF and the United Kingdom, the Bank has cosponsored a workshop on macroeconomic analytical issues arising from poverty reduction strategies to identify and fill knowledge gaps.

Important initiatives were undertaken during fiscal 2003 to support countries in preparing and implementing their PRSPs and to improve the results orientation of the Bank's own poverty reduction activities.



In today's economically integrated world, trade matters more than ever before. Countries that have strengthened their links with the global economy have usually grown more rapidly over a sustained period and have consequently experienced larger reductions in poverty.

One such effort was the launch of a work program in the area of pro-poor growth. The program is designed to enhance understanding of the relationship between growth and poverty, and of the key operational levers to increase the impact of growth on the well-being of poor people. A workshop in March 2003 laid out the scope of work, which is expected to include six to nine focused country studies as well as cross-cutting analytical work.

A second initiative that moved forward during the year was work in the field of poverty and social impact analysis (PSIA), which informs policy choices by analyzing the impact of reforms on poor and vulnerable people and the tradeoffs among alternative policy options. During fiscal 2003, the Bank and other donors have supported PSIA activities within the PRSP process in 20 countries. The Bank has also employed PSIA in its own work, initially concentrating on PRSCs. (See www.worldbank.org/psia.)

The Bank expanded its support for the empowerment agenda during the year. The Empowerment Sourcebook for staff was published in July 2002, and groundbreaking work was undertaken during the year on measuring empowerment, establishing a Bank-wide community of practice on empowerment issues, and supporting a national strategy for civil society

capacity building and empowerment in Ethiopia. (See worldbank.org/poverty/empowerment.)

TRADE

The Bank's primary objectives on international trade are to promote a world trading system that is more conducive to economic development and to assist countries in capturing the benefits of global opportunities. Evidence suggests that increased trade raises productivity, and hence growth, which in turn is key for reducing poverty. In fiscal 2003 the Bank created a new Trade Department. This action substantially increased the Bank's capacity, activities, and engagements in trade. It led to strengthened partnerships with international organizations, the increased publication of research relevant to the pro-development trade agenda, and intensified efforts to integrate trade into country and regional strategies such as the PRSP.

With the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), the Bank is the main coordinating and implementing agency for the Integrated Framework (IF) Initiative, and it plays a key role in advancing the program (see box 4.1). Much of the Bank's global effort on trade this year is directed toward the next milestone in the international trade arena—the WTO Ministerial meeting in Cancun in September 2003—that will review progress on the development agenda launched at the Doha Ministerial meeting in 2001.

The Bank provided support to key actors in the global trading system, including studies on the impact of trade and services liberalization on income distribution for Brazil; an analysis of WTO accession implications for Russia; and assistance to India on the design of a collaborative program on WTO-related issues such as services. Capacity-building activities were delivered through the World Bank Institute (WBI) to help countries analyze the economic implications of national trade policies and regulatory frameworks and to assist policymakers in formulating domestic trade reform agendas and international negotiating strategies. The Bank is expanding its assistance to low-income countries not eligible for the IF through, in the first instance, diagnostic trade studies that cover both the border and “behind-the-border” (that is, internal impediments) trade agendas.

Two aspects of the behind-the-border agenda to which the Bank has been paying increasing attention are trade facilitation and compliance with

BOX 4.1 THE INTEGRATED FRAMEWORK FOR TRADE

The Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries assists these countries in expanding their participation in the global economy. Participating agencies are the IMF, the International Trade Center, UNCTAD, the United Nations Development Programme, the World Bank, and the WTO. The Bank and country stakeholders play lead roles during the diagnostic phase, when country constraints to integration into the global economy are analyzed and technical assistance needs are identified and prioritized. The analysis examines external and domestic investment climate factors as well as a country's institutional capacity for trade policy formulation, strategy, and development.

In fiscal 2003 the Integrated Framework Steering Committee extended the IF to Burundi, Djibouti, Ethiopia, Guinea, Lesotho, Mali, Nepal, Senegal, and the Republic of Yemen. In addition, participating countries such as Cambodia and Lesotho held programmatic discussions with donors, and Ethiopia, Malawi, and Nepal are planning national workshops to validate results of IF analysis. Finally, Burundi and Mali are in the process of analyzing key constraints to trade integration.

international product standards. Bank support for trade facilitation includes both analytical work and lending operations. Lending for trade facilitation makes up by far the largest amount of Bank trade lending. During the last two fiscal years, lending to support trade facilitation—including lending for institution building and physical infrastructure and for trade financing—made up 86 percent of total Bank lending to trade. The Bank has been increasing its support for client-country capacity building in standards development and implementation both at the country level (through lending operations) and at the cross-country level (such as through the launching of a Standards and Trade Development Facility with the WTO, the World Health Organization, and the Food and Agriculture Organization).

In advance of the Cancun Ministerial meeting, the Bank released *Global Economic Prospects 2004*, an annual publication that is one of the key Bank tools for analysis and advocacy of the global trade agenda. Other

key research products related to the global trade agenda in fiscal 2003 include *Agriculture, Trade, and the WTO*; *Options for Global Trade Reform: A View from the Asia-Pacific*; and *Regional Integration and Development*.

Trade Law

During the past year, demand continued for training dealing with the practical aspects of international trade law and policy in such matters as market access, antidumping, countervailing measures, the General Agreement on Trade in Services, trade-related aspects of intellectual property rights, regional integration, environment, and labor standards, as well as dispute-settlement mechanisms in the WTO. Among other related seminars, the Bank sponsored an Afro-Latin Seminar on International Trade Law and Policy in December 2002. This distance learning program was carried out in partnership with the WBI, the International Law Institute, the Uganda African Center of Legal Excellence, and the Fundação Getulio Vargas of Brazil. It linked approximately 90 participants in Kampala, Paris, São Paulo, Vienna, and Washington, D.C. Led by world trade law experts, participants shared knowledge on international trade law and policy and explored new areas for Bank operational work, including relevant legal reform activity.

Bank operations have also provided support for legal and regulatory activities to implement WTO members' specific commitments in telecommunications and to assist accession countries in meeting their WTO accession goals. (See also "Promoting Appropriate Legal and Judicial Systems" in this chapter.)

Transportation and Trade

Transportation is a critical element of trade competitiveness. In March 2003 the transportation sector and the Trade Group of the Bank's Poverty Reduction and Economic Management Network agreed to establish a joint Transport and Trade Facilitation Task Force. The Task Force was developed to help the Bank address the issues identified by the WTO as priorities in the Doha Development Agenda. This joint unit will help client nations identify and take action to alleviate the constraints to wider external trade and economic growth.

Trade Research

The Bank's newly created Trade Department has identified several areas for research, many of which

BOX 4.2 RESEARCH, POLICY, AND LEARNING

The World Bank Institute works closely with the Bank's development economics research group (DEC) and its Poverty Reduction and Economic Management (PREM) Network to better align its capacity and knowledge programs with corporate priorities and country needs.

The three units provide support to the Bank's clients through an integrated set of tools that include research findings, policy recommendations, and capacity-building services tailored to specific country needs. For example, the DEC/PREM/WBI joint international trade department builds client countries' capacity in trade negotiations and in applying the World Trade Organization's regulations to best advantage.

The Bank will be developing similar internal partnerships for poverty reduction and governance.

are already ongoing: behind-the-border trade policies and institutions, focusing on policies and institutions that directly affect trade costs; the effects of trade liberalization on poverty, focusing on the direct impact of changes in the prices of goods as a result of trade liberalization on the welfare of poor people; the ways in which multilateral and regional trade agreements can be used to maximum advantage in supporting the development process; the sources of growth and their effects on poverty reduction, economic structure, and trade, focusing on ways to link trade policy more fully to development policy; the effect of international product standards on trade volumes and patterns; the existing pattern of payments for the use of intellectual property rights and the likely impact of stronger enforcement of property rights laws on developing countries; ongoing work on impacts of trade liberalization on services performance, in particular telecom services, and on other infrastructure services such as port facilities and international transportation; and the compiling of new data on trade and trade policy to be made available to the wider research community. (See box 4.2.)

GENDER AND DEVELOPMENT

There was substantial progress during the initial year of carrying out the Bank's gender mainstreaming

strategy. Work included the integration of gender equality issues in the majority of country assistance and poverty reduction support strategies, and increased attention to gender issues in Bank-financed projects, particularly in education, health, and social protection.

More than 20 borrowing countries conducted gender assessments. Progress in mainstreaming gender is strong in countries and sectors where relevant gender analysis has already been completed, reinforcing the key role of gender assessments in addressing critical development issues and priorities.

Ongoing Bank-supported operations that promote gender equality include an HIV/AIDS project in Zambia, a community-based empowerment project in southern India, and a tourism and regional development project in Honduras. Innovative initiatives in gender-based development, such as a rural roads project in Peru, a women's empowerment and rural electrification project in Bangladesh, and a water and sanitation project in Ghana, continue to receive funding and technical assistance from the Bank. A new research initiative on gender and economic policy is developing a substantial body of analytical work to enhance policies in areas such as trade and competitiveness and public sector streamlining. The Bank also promoted research on measuring women's empowerment, partnering with international development agencies on research that empirically demonstrates the importance of gender equality to all of the MDGs. Investment climate assessments prepared by the Bank this year have incorporated questions to capture gender-based differences.

GOVERNANCE AND PUBLIC SECTOR REFORM

Considerable research and country experience have shown that good governance, development, and poverty reduction are fundamentally linked. An increasingly important area of the Bank's work, approximately \$2.5 billion in loan commitments in fiscal 2003 promote governance and public sector reform. The Bank's strategy for governance and public sector reform notes that change-resistant institutions can best be reformed through systematic approaches, such as revising institutional rules and processes, and promoting demand for reforms through citizen participation, transparency, accountability, and

partnerships. Successful reforms reflect the nuances of a country's institutional setting, and are based on careful analysis of institutions, incentives, and influence.

In fiscal 2003 the Bank and the IMF prepared joint papers on public expenditure issues and an update on implementation of the heavily indebted poor countries' action plans, and collaborated on civil service reform. The Bank is developing a second generation of governance indicators in tandem with intermediate indicators of progress on governance projects. A flagship Governance and Anticorruption Core Course was launched in fiscal 2003. The Bank organized a day-long conference with Transparency International on ways to enhance the effectiveness of our anticorruption and governance work.

ECONOMIC POLICY

Sound macroeconomic analysis underpins the Bank's operational and policy work in these areas: economic growth; debt management, fiscal sustainability, and volatility management; subnational economic management; integrative policy analysis; and country strategy development.

In fiscal 2003 a series of thematic group handbooks is being produced to provide guidance to practitioners on policy design and implementation issues at the forefront of the development agenda. The Bank actively supports regional development efforts through



Communities in Ghana have a tradition of self-organization and self-governance, as well as community development experience that can enhance their participation in the country's overall development.

BOX 4.3 DEVELOPMENT POLICY REVIEW—A NEW AND INTEGRATED VIEW OF A COUNTRY'S DEVELOPMENT POLICY AGENDA AND PRIORITIES

The Development Policy Review (DPR) synthesizes the findings of available analysis across sectors and offers an integrated view of a country's development priorities and links. Fiscal 2003 marks the second successful year for DPR implementation. Nine DPRs are expected in fiscal 2003, including Bangladesh, Colombia, the Gambia, Guyana, India, Indonesia, Russia, the Slovak Republic, and Togo.

Mark Baird, country director for Indonesia—the first country to produce the DPR—remarked that the DPR “offers a systematic framework for thinking about policy priorities. It forces us to think through the

broader and longer-term development agenda. The feedback from our clients, especially those in the private sector, has been fantastic. The brief, easy-to-read text made a major contribution to international and popular understanding of Indonesia's development challenges.”

The DPR, which will be regularly produced in line with the CAS cycle for all active Bank client countries, has the key role of underpinning the CAS, the policy dialogue, and the Bank's increasingly programmatic approach to country assistance.

diagnostic reports such as the Development Policy Review and Country Economic Memoranda. These reports provide an integrated view of a country's development priorities and cross-sectoral links to poverty

reduction. As such, the reports have a key role in underpinning policy dialogue, the Bank's Country Assistance Strategies (CASs), and the Bank's approach to policy-based lending. (See box 4.3.)

Investing in People

The challenge of reducing global poverty and improving the human welfare of millions of poor people could scarcely be more powerful. In 2002 almost 11 million children died before their fifth birthday. Most of these deaths occurred in developing countries, with 4.5 million in Sub-Saharan Africa alone, and many others in South Asia. Maternal mortality is 20 times higher among the poorest quarter of the world's population than among the richest quarter. In 2002, 3.1 million people died from HIV/AIDS. Life expectancy has fallen by as much as 20 years in those countries with the highest infection rates, and hard-won improvements in child mortality have been reversed. Some 115 million primary-school-age children in developing countries do not go to school; 64 million of them are girls.

The World Bank stands by its commitment to scale up efforts to help countries achieve universal primary education, combat communicable diseases, reduce child mortality, improve maternal health, and protect vulnerable populations from crisis.

EDUCATION

In fiscal 2003 the World Bank provided vigorous support for education to help countries attain the Education for All (EFA) Millennium Development Goals (MDGs), while equipping themselves to compete in dynamic, knowledge-driven global markets. This dual thrust is key to empowering people and fostering economic growth—and, as a result, reducing poverty.

Universal primary completion is increasingly seen as the most attainable of the MDGs, and one that enables progress toward the other 2015 targets. In partnership with developing countries, donors, development institutions, and civil society, the Bank supports the EFA Fast-Track Initiative (FTI). (See box 4.4.) In the last year the FTI has matured significantly with new donor financial and technical support, and many more countries are expected to benefit from the lessons learned.

FTI has raised the profile of education, strengthened government commitment, and focused on outcomes—including primary school completion. It has produced tangible progress in donor harmoniza-



The goal of the Bank's Human Development Network is to harness global knowledge and experience to enhance the assistance provided by the Bank to clients in the areas of education, health, nutrition, population, and social protection.

tion, leading to a more unified policy dialogue, expanded flexible aid for primary education, and donor commitment to cost-effective standards for school construction.

Support at the global level included important analytical work on the role of tertiary education and on new challenges arising from the need for lifelong learning in dynamic, knowledge-driven global markets. A Conference on Lifelong Learning and the Knowledge Economy, held in Stuttgart October 9–10, 2002, explored education and training policies to respond to the knowledge economy. Also contributing to this discussion was *Closing the Gap in Education and Technology*, a comprehensive study of the role of skills and technology in closing

BOX 4.4 EDUCATION FOR ALL AND THE FAST-TRACK INITIATIVE: A CLOSER LOOK

- **Education for All** dates to 1990, when the world community at the Jomtien Conference called for universal primary enrollment by 2000. In 2000, at the Dakar Education for All Conference, countries reiterated their commitment to EFA and set six specific goals. In September of that year 189 countries gave additional impetus to EFA by including, as part of the MDGs, two of EFA's six goals—universal primary completion and gender equity in education—and pledging to achieve these by 2015.
- Despite these global commitments and strong efforts by many developing countries, on current trends, more than 70 developing countries are at risk for not achieving universal primary completion by 2015.
- The Bank's wide-ranging actions on EFA in fiscal 2003 included:
 - Strong efforts to support basic education, which typically accounts for about half of all lending for education and which increased by about 70 percent in fiscal 2003
 - Support for the participation of orphans and vulnerable children in schooling, and enhancing HIV/AIDS prevention, through work with partners in the Joint United Nations Programme on HIV/AIDS Interagency Task Team for Education, and the Association for the Development of Education in Africa
 - Focus on girls' education through such activities as important new analysis on investment returns (an additional year of female schooling reduces child labor by 1.4 to 3.8 percentage points and raises children's immunization rates by 3.5 percentage points). (See www.girlseducation.org.)
 - Expansion of efforts to address the needs of children with disabilities, who are believed to account for a large share of grade repeaters and dropouts
 - Increased lending for early childhood development to \$102 million in fiscal 2003 (nearly double the fiscal 2000 figure), reflecting countries' growing awareness of the importance of children's early years for learning outcomes throughout their lifetime
- Provision of country-specific support to adult basic education and development of new global indicators for literacy.
- **The Fast-Track Initiative** is a partnership of education donors and low-income countries focused on accelerating progress toward the education MDGs. The FTI commits donors to provide additional policy, data, capacity-building, and financial support to countries, which, in turn, are strongly committed to the requisite policies and are ready to be held accountable for results. An initial 18 countries—11 in Africa—have been invited to join the initiative because they have in place a PRSP and an education sector plan agreed upon with donors. Five other high-population countries were also invited to receive technical support to strengthen policies and capacity, with the ultimate goal of increased investment for EFA.
- In November 2002 the FTI donors pledged more than \$200 million in additional support for primary education for the period 2003–2005 in the first seven FTI countries (Burkina Faso, Guinea, Guyana, Honduras, Mauritania, Nicaragua, and Niger). This funding represents approximately 40 percent more official development assistance resources for primary education and will help educate about 4 million additional girls and boys through the support of hiring of new teachers, building new schools, providing books and materials to improve school quality and learning, and providing targeted subsidies to help keep AIDS orphans and other vulnerable children in school.
- In March 2003 FTI donors at a Paris meeting achieved consensus on a framework paper to guide the FTI process and committed to supporting three additional countries: the Gambia, Mozambique, and the Republic of Yemen. Donors also affirmed their commitment to actions to harmonize aid delivery and reduce transactions costs for FTI recipient countries, for example, by planning joint sector review missions and accepting a common reporting framework in FTI countries.

the productivity gap in Latin America and the Caribbean.

At the country level, support for education gathered momentum. At \$2.3 billion, lending to the education sector increased for the third consecutive year in fiscal 2003. Support for education components in other sector projects also increased in fiscal 2003 to \$577 million, compared with \$435 million the previous year.

The Latin America and the Caribbean region accounted for the largest share of lending (\$785 million). (See table 6.12.)

Africa received support for education sector reform and basic education (\$424 million, all IDA funding), as well as assistance for “development learning centers” to tap into global knowledge on diverse developmental issues to be drawn from in preparing national poverty reduction strategies.

Increased policy and analytical support included both country- and regionwide (East Asia, Africa) policy notes, reports, and dialogue, as well as in-depth analytical contributions in the areas of tertiary education, girls’ education, and service delivery (*World Development Report 2003: Making Services Work for Poor People*).

Recent data from the Bank’s Operations Evaluation Department (fiscal 2002, partial) showed that 95 percent of education projects had satisfactory outcomes, compared with 83 percent in fiscal 2001 and 74 percent five years earlier.

HEALTH, NUTRITION, AND POPULATION

Communicable diseases, poor maternal and child health, and poor nutrition account for much of the disease burden and many of the deaths among poor people. Each year more than 500,000 women die from pregnancy-related complications. An estimated 140 million children under the age of five are underweight, almost half of them in South Asia. Of almost 11 million deaths in children under five, over half are attributable to preventable and treatable diseases.

During fiscal 2003 the Bank worked with partners and countries to accelerate progress toward the health, nutrition, and population-related MDGs. The improved alignment of the Bank’s work with the MDGs was reflected in total new commitments of \$1.6 billion to the health sector in 63 new projects.

Scaling up and expanding coverage of basic services to achieve the MDGs require well-functioning



This year the World Bank celebrates the 40th anniversary of its education sector, with sector lending at a four-year high. More than 700 education projects have been financed since education lending began, with support for basic education through tertiary and lifelong learning.

health care systems. The Bank’s health systems agenda this year emphasized institutional and structural reforms, sustainable financing, strengthening governments’ stewardship role (e.g., policymaking, regulation, monitoring and evaluation, and creating demand-side incentives to improve accountability of public providers to patients). New commitments for health system performance amounted to almost \$505 million.

Communicable diseases, including HIV/AIDS, continued to be a dominant theme, amounting to over \$442 million in new commitments. New lending for population and reproductive and child health reached \$407 million. Support for nutrition noted significant gains, accounting for more than \$199 million.

Innovative approaches to addressing the MDGs are key. This year the Bank approved projects to support global efforts to eradicate polio in Nigeria and Pakistan. These projects include an IDA “buy-down” mechanism, whereby IDA credits are converted to grants if agreed performance criteria are met. Contributions from Rotary International, the United Nations Foundation, and the Bill and Melinda Gates Foundation are making these projects possible.

Finally, the Bank continued to address the growing epidemic of noncommunicable disease and injury. Throughout the negotiations of the Framework Convention for Tobacco Control, *Curbing the Epidemic*, a Bank publication on tobacco, was frequently cited as

the authoritative summary of the evidence on the economic issues. Work on risk factor surveillance and collaboration with external partners on issues related to water, sanitation and hygiene, indoor air pollution, and road safety continued to grow.

PROTECTING THE MOST VULNERABLE PEOPLE

Lending for social protection and risk management (including natural disaster management) totaled \$2.3 billion in fiscal 2003, including \$1.1 billion to Latin America and the Caribbean.

Coping measures and social protection, such as risk reduction and mitigation, are essential to protect vulnerable people. In 2003 such mechanisms helped countries create viable old-age income security for poor people, support the unemployed, develop equitable labor markets, eliminate child labor, and provide social safety nets and social funds for vulnerable groups. In addition, the Bank analyzed the effectiveness of social sector interventions and the appropriate mix of national interventions.

In 2003 the Bank took significant steps to integrate social protection within a number of country PRSPs. These activities began with a series of distance learning events (March–April 2002, with 21 countries and 170 participants), five Quality Enhancement Reviews (June 28–July 17, 15 countries), followed by three workshops: in Paris in April 2002 (17 countries and 101 participants); in Addis Ababa in November 2002 (12 countries and 145 participants), and in Paris in July 2002 (100 participants).

The Bank implemented the social protection strategy that was adopted in September 2000. This included undertaking risk and vulnerability assessments and social safety net assessments in Latin America and the Caribbean, South Asia, Europe and Central Asia, and East Asia and the Pacific, including two regional studies that profiled the risks to which poor people are exposed, the instruments they have to manage these risks, and actions to reduce their vulnerability. Guided by two new Bank-wide advisers, the work on children and youth, orphans and other vulnerable children, and disabled people gained new momentum.

In 2003 the Bank is concluding a comprehensive overview of international and national programs and interventions, and qualitative and quantitative data on child labor in Guatemala, Morocco, and the

BOX 4.5 DISABILITY IN DEVELOPING COUNTRIES

Of the nearly 500 million disabled people in the world, 80 percent of them live in developing countries. Disabled people are regularly shunned, isolated, and stigmatized by their societies. Because they are kept from attending school or finding work, they also tend to be among the poorest of poor people, especially women and children.

“The challenge is to help disabled people lead a normal life, provide them with an opportunity to work, to become self-sufficient, and to contribute to their community,” said World Bank president, James D. Wolfensohn. “This brings benefits to the disabled individual, the family, the community, society, and the economy.”

Accessible infrastructure can help integrate disabled people into mainstream society, by providing them with access to education and employment.

The World Bank is leading work on disability, integrating the issue into dialogue with client countries and country-based analytical work, and supporting policies, programs, and projects that take people with disabilities fully into consideration in developing countries.

In December 2002 the World Bank hosted a conference on disability and development, which focused on how preventing disability and integrating already disabled people into mainstream society are central to dealing with poverty.

Republic of Yemen. The Bank is also completing a strategy to streamline its work on children and youth. In May the Bank held a second workshop on orphans and vulnerable children. And finally, the Conference on Disability and Development (see box 4.5) brought together Bank staff, bilateral development organizations, and nongovernmental organizations to discuss the role of the Bank in reducing poverty. Regional working groups on disability and development have been formed, and research is under way to further address disability in the Education for All movement, in combating HIV/AIDS, and in data and access issues. The Norwegian Trust Fund for Disability and Development continues to be an important source of support for all activities in this area, including projects in the field.

Toward Environmentally and Socially Responsible Growth

During fiscal 2003 the World Bank has been advocating for the vision of responsible growth that was put forth in the *World Development Report 2003* and affirmed at the World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa, in August 2002.

At the summit a consensus emerged on moving toward a new development path that will combine growth with environmental responsibility and social equity, in both rich and poor countries. Poverty reduction is much more than a development aid issue—it is also an issue of global stability, the summit emphasized.

One key message emerging from Johannesburg and the Bank's own operational experience is clear: enlightened public policy, a responsible and accountable private sector, and proactive civil society organizations are needed to achieve the WSSD targets and the Millennium Development Goals (MDGs) by 2015. The spirit of cooperation and of constructive engagement generated among all stakeholders in Johannesburg is a promising start. (See www.johannesburgsummit.org.)

STRATEGIES FOR THE ENVIRONMENT

In fiscal 2003 the Bank's Board of Executive Directors endorsed a suite of sector strategies, titled "Reaching the Rural Poor," "Water Resources Sector Strategy: Strategic Directions for World Bank Engagement," and "A Revised Forest Strategy for the World Bank Group," with a corresponding forest policy. Together with the environment strategy, now in its second year, these represent a clear movement toward sustainable use of natural resources. They are aligned with the MDGs and are consistent with WSSD development priorities.

Through its environment strategy, the Bank is paying particular attention to the links among the environment, poverty, and development, along with how the environment affects the health, livelihoods, and vulnerability of poor people. (See www.worldbank.org/environmentstrategy.)

Progress has been made, especially in three key areas:

1. *Establishing poverty-environment links.* Providing targeted environmental inputs to Poverty



The world community is making renewed commitments to urgently needed poverty reduction in the developing world. The World Bank is working to make development sustainable, looking to the future to guide today's actions.

Reduction Strategy Papers (PRSPs), and identifying "best practices" through a review of environmental content in PRSPs (for example, in the Republic of Yemen paper). The Bank is also increasing the use of programmatic approaches and lending instruments (for example, in the Mexico Environment Structural Adjustment Loan) to enhance environmental policies and institutions.

2. *Undertaking strategic analyses.* The Bank is using Country Environment Analysis in India and Tunisia, Strategic Environmental Assessments (such as the Nile Basin Initiative), Poverty-Environment Analyses (such as the Poverty-Environment Nexus in East Asia), and economic indicators to strengthen development outcomes. In fiscal 2003, 52 new projects with environmental lending amounting to \$1.1 billion were approved. This represents 6 percent of total Bank new lending in fiscal 2003.
3. *Realigning institutional incentives and resources.* To complement changes in the Bank's lending and analytical work in client countries, the Bank is also strengthening its incentive structure and



To achieve the goal of poverty reduction—as agreed to at the 2002 Monterrey Conference and in the Earth Summit in Johannesburg, and outlined in the Millennium Development Goals—increased growth will be key. This growth needs to be one that puts social equity and environmental responsibility at the center.

institutional resources. *Green Awards* have encouraged environmental mainstreaming. Environmental and safeguards training—both within the Bank and for our clients—has increased substantially. The Bank is using the Mainstreaming Fund for the Environment to support strategy implementation and cross-sectoral analysis. Through a new database, the Bank is now providing up-to-date environmental indicators and trends.

Moreover, the Bank is helping its client countries meet their commitments under the global environmental conventions—biodiversity, land degradation, ozone, persistent organic pollutants, and climate change—through the Global Environment Facility (www.gefweb.org) and the Multilateral

Fund of the Montreal Protocol (www.worldbank.org/montrealprotocol).

SAFEGUARD POLICIES

In fiscal 2003 the Bank's executive directors and senior management reaffirmed the importance of continued compliance with safeguard policies. In line with this affirmation, the Bank drafted a framework paper for improving development effectiveness for safeguard policies, which is now posted on the Web for public comment from borrowers and other stakeholders. (See www.worldbank.org/safeguards.) This framework paper included provisions for the use of safeguard pilot programs to test new approaches to meeting the safeguard policy objectives of the Bank, including undertaking pilot programs concerning harmonizing national procedures, developing review mechanisms for new lending instruments, testing the use of borrower safeguard systems, and examining innovative approaches. The Bank also worked closely with the members of the International Financial Institutions Working Group on Environment to develop a common approach for environmental impact assessment that was issued at the High-Level Forum on Harmonization in Rome (February 2003, www1.worldbank.org/harmonization/romehlf). In addition, the Bank approved a new operational policy for forests in November 2002, which also addresses safeguard issues. The Bank continued to support extensive safeguards capacity-building and training activities for staff, borrowers, and other stakeholders at headquarters and in the field, focusing on their application in project identification, preparation, appraisal, and supervision.

AGRICULTURE, RURAL DEVELOPMENT, AND FORESTS

In fiscal 2003 lending volumes were \$1.9 billion for rural development. The Bank's new rural strategy will promote broad-based rural growth that enhances agricultural productivity by focusing on poor people, addressing the entire rural area, building alliances with stakeholders, and identifying the impacts of global developments such as trade protectionism and climate change. (See box 4.6, box 4.7, and www.worldbank.org/ruralstrategy.)

BOX 4.6 AGRICULTURAL SCIENCE AND TECHNOLOGY INTERNATIONAL ASSESSMENT

At the World Summit on Sustainable Development, the World Bank launched a nine-month consultative process to hear the views of stakeholders on the role of agricultural science and technology in reducing hunger, improving rural livelihoods, and stimulating environmentally sustainable economic growth (www.agassessment.org). The stakeholders included farmers and other producers, nongovernmental organizations, researchers, the private sector, governments, consumers, and others throughout the world. During this process, which will last through mid-2003, stakeholders will exchange ideas on how agricultural science and technology can help end hunger and rural poverty. At the conclusion of the process, a steering committee comprising all the stakeholder groups will advise the Bank on the value of an international assessment, the ideal scope of such an assessment, and a governance structure for the assessment.

The Bank is the world's largest financier of protected forests. To meet this challenge it has created a new forests strategy, which covers all forest types and focuses on three areas:

1. Protecting vital local and global environmental services and values provided by forests
2. Harnessing the potential of forests to reduce poverty
3. Integrating forests into sustainable economic development.

The new policy will seek to expand the 8 percent of forest areas under protection in developing countries and maintain a strict ban on logging in these critical forests. In addition, by reengaging in areas of forests outside the protected areas, the livelihoods of poor people will be improved. A revised Operational Policy, which covers all forest types rather than focusing specifically on tropical moist forests, allows support for sustainable harvesting operations located in forests identified as “noncritical,” but *only* when these operations comply with independent certification standards.

Access to fresh water is vital to agriculture and rural development. By integrating better management of water resources with the development of infrastructure, the new water resources strategy will contribute to halving poverty by 2015. To provide more security against climatic variability, the strategy will assist countries in developing and maintaining well-performing hydraulic infrastructure, in continuing policy reform, and in mobilizing public and private financing. Support for water infrastructure will be provided based on a business model that not only meets high social and environmental standards but also provides for more rapid and consistent decisionmaking. (See www.worldbank.org/water.)

The Bank also supports the Consultative Group on International Agricultural Research (CGIAR). In fiscal 2003 three countries and one private foundation—Israel, Malaysia, and Morocco, and the Syngenta Foundation—joined the CGIAR, strengthening the partnership. In addition, such key members as Canada, Spain, and the United States announced increased support for the CGIAR. As part of a reform program, a new science council was established to ensure the quality and relevance of CGIAR science, and innovative challenge programs were launched to tackle globally significant problems, such as micronutrient deficiencies and water scarcity.

SOCIAL DEVELOPMENT

To ensure that Bank projects and programs integrate principles of social sustainability, the Bank is consolidating its approach to social development. The effort is based on stock-taking exercises, as well as extensive consultations with external partners. (See www.worldbank.org/sdstrategy.)

The Bank has also been assisting governments in introducing social accountability in public programs, including budget management, service delivery, and formulation of poverty reduction strategies. It developed and has started pilot testing frameworks and tools for assessing the environment for civic engagement. (See www.worldbank.org/participation.)

In community-driven development, the Bank's portfolio has stabilized at approximately \$2 billion, emphasizing partnerships between local governments and community-based organizations.

Moreover, the Bank is working on increasing the impact of community-driven development, as well as on the links between it and other areas, such as broader decentralization reform, conflict, social capital, and community foundations. (See www.worldbank.org/cdd.)

Recognizing the importance of social analysis, the Bank is developing guidance on its application projects and policy. (See www.worldbank.org/socialanalysisourcebook.) It is also applying poverty and social impact analysis (PSIA) to determine the

consequences of policy reform on social groups. As part of this effort, the Bank launched the first “User’s Guide for Poverty and Social Impact Analysis.” (See www.worldbank.org/psia.)

During fiscal 2003 the Post-Conflict Fund approved grants worth more than \$9.1 million to continue its support to conflict-affected countries, particularly the vulnerable low-income countries under stress. The Bank has also been exploring the links between conflict and natural resource management. (See www.worldbank.org/conflict.)

Supporting Private Sector Development and Infrastructure

The World Bank's Private Sector Development and Infrastructure Networks promote private initiatives for poverty reduction and support infrastructure development in poor countries. Two separate vice presidencies were created from the former Private Sector Development and Infrastructure Vice Presidency in fiscal 2003. The Infrastructure Vice Presidency, which now consolidates the Bank's infrastructure departments and infrastructure-related global programs, commenced operations as a separate network in May 2003. So also did the new Private Sector Development Vice Presidency, which is responsible for strategic integration between the Bank and IFC on private sector development, investment climate issues, and long-term strategy for the IFC. The material presented in this chapter, however, primarily covers the period under which both vice presidencies and networks still operated as one.

HARNESSING PRIVATE INITIATIVE FOR DEVELOPMENT

The World Bank Group's private sector development strategy, approved in fiscal 2002, articulates the key role that private initiative can play in promoting growth and poverty reduction. During fiscal 2003, 22 diagnostic firm surveys on the investment climate were launched. They identified the constraints to firm productivity and income growth. Seven country investment climate assessments were prepared, building on the firm surveys and providing a detailed picture of the business environment. The Doing Business Project was also launched. It surveyed experts and derived five sets of indicators—contract enforcement, credit markets, entry regulation, labor regulation, and bankruptcy—to provide a snapshot of the investment climate for 130 countries, including 55 IDA countries. The World Bank Group continued to provide advisory services to its member countries in building the investment climate, particularly through the work of the Foreign Investment Advisory Service.

The private sector development strategy also proposed the pilot testing of output-based aid approaches to support the delivery of basic services, including



Road construction in Cambodia.

infrastructure, health, and education, by private providers. In fiscal 2003 work was done on a portfolio of 25 operations across various sectors and regions. The Global Partnership on Output-Based Aid was established in 2003 to support such pilot initiatives with initial support from the Bank and the United Kingdom's Department for International Development. (See also figure 4.1.)

Increased efforts are being made to exploit the synergies between the financing instruments of the World Bank, IFC, and MIGA. The Pamir Private Power Project in Tajikistan, approved in June 2002, exemplifies synergies between the commercial discipline and private sector orientation of IFC financing and the potential of IDA funds to address affordability concerns by subsidizing poor consumers. An example of IDA and MIGA cooperation is a guarantee facility being jointly prepared by them to catalyze private investments in small and medium-sized infrastructure and privatization projects in eligible Union Economique et Monetaire Ouest Africaine member countries.

Major efforts are being made across the Bank Group and in particular by IFC to enhance support to small and medium enterprises (SMEs) and to direct it away from firm-level financial assistance to support for intermediaries, and from firm-level advice to

creation of a market for business development services for SMEs.

INFRASTRUCTURE

The Bank made a substantial investment in infrastructure this year, recognizing that inadequate and inefficient infrastructure constitutes a major barrier to growth and poverty reduction. In the water and sanitation sector, effective poverty reduction will require dramatically increased investments from both the public and private sectors. The Bank continues to help its client countries in promoting strong legal and regulatory environments for the delivery of water and sanitation services, for example, in Armenia, Jordan, Nigeria, Sri Lanka, and St. Lucia.

In all infrastructure work, the Bank emphasizes the establishment of appropriate regulatory frameworks. There are strong links among the legal and regulatory issues facing the private delivery of water, sanitation, electricity, gas, information and communication technologies (ICTs), and transportation services, whether or not a single multisector regulatory regime itself makes sense. And, as is true of regimes for banking and corporate activity, a clear legal and regulatory framework needs to be in place to ensure an appropriate, transparent, and

predictable operating context. (See “Promoting Appropriate Legal and Judicial Systems” in this chapter.)

Water Supply and Sanitation

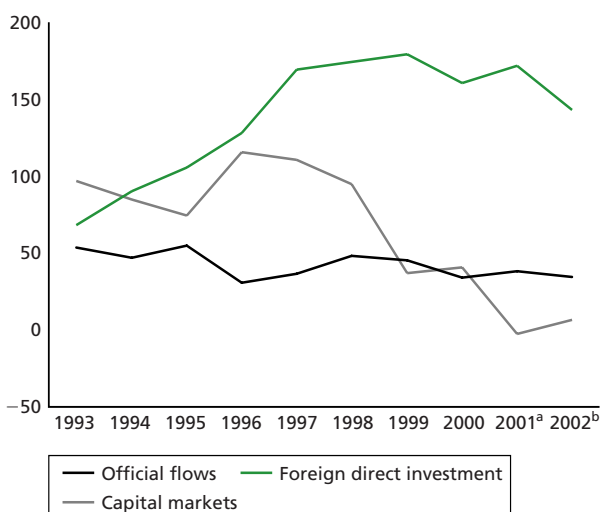
The emergence of the Millennium Development Goals (MDGs) has moved water supply and sanitation to the heart of the global poverty reduction agenda. In fiscal 2003 the World Bank continued to help shape the international water agenda through active participation in a number of international meetings. These included the International Conference on Financing for Development held in Monterrey, Mexico; the World Summit on Sustainable Development in Johannesburg; the 3rd World Water Forum in Japan; and the G8 Summit in Evian les Bains, France. In addition, the Report of the World Panel on Financing Water Infrastructure, chaired by Michel Camdessus, underscores the need to operate in all aspects of the water sector—water resources, service delivery, and broad poverty-targeted interventions—and calls on the international community to accelerate its efforts. The quality of new Bank projects and the performance of existing projects have improved significantly, whereas total annual IBRD/IDA financing commitments for water supply and sanitation declined in recent years from a high of \$1.7 billion in fiscal 1994–97 to \$493 million in fiscal 2002. This year commitments rose to \$1.3 billion, and sector assistance is projected to increase over the next three years.

Water supply and sanitation feature prominently in a diverse range of World Bank operations, including social protection, health and education, rural development, city management, and slum upgrading. At the country level the Bank’s new water strategy supports the trend toward holistic development, identifying future approaches for better engagement with client countries and partners across the spectrum of water uses. Conceptual work has focused on sanitation and hygiene, better integration of water supply and sanitation into country programs, sector reform, and innovative financial instruments, such as output-based aid, subsovereign instruments financing, and risk mitigation instruments.

Energy

Progress has been made in early implementation of the energy business renewal strategy, which envisions a transition from traditional to modern energy use for poor households and an energy sector that is

Figure 4.1 **Net Long-Term Resource Flows to Developing Countries, 1993–2002** (billions of dollars)



a. Preliminary. Net long-term resource flows are defined as net liability transactions or original maturity of greater than one year.

b. Estimate.

Source: World Bank. 2003. *Global Development Finance 2003*. Washington, D.C.

efficient, reliable, and better able to support growth and fiscal stability. In Africa about 40 percent of the new lending commitments in fiscal 2003 had access expansion components, as in the Uganda Energy for Rural Transformation Project and the village electrification scheme under the Songo Songo Gas Development Project in Tanzania. Bangladesh and the Philippines, with IBRD assistance, have embarked on aggressive rural electrification programs that also support provision of renewable energy.

Reduction of large quasi-fiscal deficits in the energy sector is a key focus of the Bank's interventions in eastern Europe and elsewhere, and major energy conditions are included in adjustment lending in Bulgaria and Romania. In China the Bank is supporting a major effort to restructure the power and gas industry and introduce a proper regulatory system underpinned by a reform of the legal framework.

Projects to support renewable energy and reduce greenhouse gas emissions were approved and are being implemented in a host of countries. The Jepirachi Carbon Off-Set in Colombia will promote 19.5 megawatts of wind-based electricity generation. The Liepaja Region Municipal Solid Waste Management project in Latvia will use energy cells for enhanced degradation of easily biodegradable waste and will use the resulting landfill gas to generate electricity.

Financing commitments in fiscal 2003 to support the development of energy infrastructure and services in client countries amounted to \$1 billion in 14 projects. In addition to lending for projects, the Bank supports a range of analytical and policy work in the sector, and more than \$2.5 million was spent on this in fiscal 2003.

Helping to Bridge the Digital Divide

The joint World Bank–IFC Global Information and Communications Technology (GICT) Department helps countries maximize the development impact of information and communications technology. In fiscal 2003 GICT's policy division was involved in grant-funded operations covering every Bank region in addition to 2 credit and lending projects.

Three World Bank projects approved this year harness the output-based aid concept to accelerate access to telecommunications services for poor and rural communities in less-developed countries. Providing public telephones to previously unserved communities has been linked to improved delivery of

government services, the expansion of SMEs, and growth in incomes.

The Bank uses approaches that can be applied even in complex environments or small economies. In Afghanistan the government has licensed a second mobile operator, catalyzing significant foreign direct investment in the sector and a rapid rollout of telecommunications services both in Kabul and beyond. The Bank is providing support to create the regulatory and legal underpinnings required for that expansion and is managing investment support under the Afghan Reconstruction Trust Fund. A project approved this year for Samoa supports telecommunications and reform to bring access to Samoans currently on the wrong side of the digital divide.

GICT also manages *infoDev*, a donor-funded grant-making initiative that supports innovative use of ICT to improve livelihoods in developing countries. Its portfolio contains about 40 pilot projects and technical assistance activities in ICT development. This year *infoDev* launched an initiative that will establish a network of incubators to facilitate the emergence and development of small and medium-sized ICT enterprises in developing countries.

Transportation

Transportation has an essential intermediate contribution to make to each of the MDGs, and lending to the transportation sector increased to \$2.7 billion in fiscal 2003. (See also under "Transportation and Trade" in the "Poverty Reduction and Economic Management" section of this chapter.)

The close link between the transportation and health sectors has also been recognized. Transportation and health staff from across the Bank have been working in close collaboration with World Health Organization counterparts on a World Report on Road Traffic Injury Prevention. This report will be launched on April 7, 2004, World Health Day. This is an annual event devoted to a different topic each year. The focus of World Health Day 2004 will be the promotion of "Safe Roads."

The World Report on Road Traffic Injury Prevention will be a flagship product for both institutions. Its main message is that road traffic injuries are a major but neglected public health and development problem requiring concerted efforts for effective and sustainable prevention. It is projected that by 2020 road traffic injuries will rise from 9th to 3rd place

as the leading contributor to disability-adjusted life years in the developing world. Road crashes increase the burden on already overburdened medical treatment facilities. It is also believed that road crashes have a disproportionate impact on the poorer sections of the community. The costs of hospitalizing a family member who suffers injury or lasting disability can often drive a family into poverty, even if individuals work and earn reasonable incomes by local standards.

URBAN DEVELOPMENT

In fiscal 2003 the 15 urban projects presented to the Board ranged in focus from traditional concerns such as urban upgrading, including a national program for Mexico, to economic development in St. Petersburg, social development in Djibouti, disaster management in Iran, asset management in Morocco, cultural development in Lebanon, and structural adjustment in Uruguay. Lending for urban development totaled \$1.6 billion in fiscal 2003. (See also box 4.7.)

In addition, urban poverty analysis and strategies are being developed with the governments of Lima and Lagos, and local economic development strategies are being prepared by 25 pilot towns and cities in the Baltics and the Balkans. These participatory strategies help identify and then prioritize measures that the public and private sectors can undertake to improve the local investment climate and improve the local economy. To further support local infrastructure investment, the Bank is working with the IFC on a newly created pilot program to finance subsovereign credits and guarantees.

The Urban Development Group is launching with the Global HIV/AIDS Unit a joint initiative to support local governments' response to the disease. This recognizes the fact that HIV/AIDS has significantly undermined income growth and service provision in urban areas.

DISASTER MANAGEMENT FACILITY

Natural disasters are a key source of risk for poor people. The Disaster Management Facility serves as a central resource for technical support, policy guidance, knowledge generation, and capacity building to reduce disaster risk in the operations of the Bank and its partners. The Facility works with partners in the private and public sectors and civil society through the

BOX 4.7 LENDING IN URBAN AND RURAL AREAS

Across developing countries the urban transition involves major movements of population and changes in the sizes and character of settlements. The widespread trends of political and fiscal decentralization have also raised the importance of sub-national units of governance. The Bank recognizes the significance of spatial analysis and of spatially disaggregating lending information.

The Rural and Urban Development departments collaborated this year in a detailed analysis of project documents for all lending operations approved in fiscal 2003, assessing for each project its spatial context. Approximately 40 percent of IBRD/IDA commitments were directed to rural areas and some 30 percent to urban areas. Some 30 percent of combined investment and adjustment lending affects rural or urban areas only indirectly. Also, there are differences in the split between urban and rural lending across the Regions. The balance within a given Region may require further attention to strengthen the spatial alignment with factors such as population dynamics and poverty incidence and approaches adopted at the national level toward poverty reduction. Further analysis of the spatial content of the lending portfolio is under way by both departments.

ProVention Consortium to develop practical learning activities aimed at mitigating disasters and contributing to sustainable development.

PROJECT FINANCE AND GUARANTEES

The recent global economic slowdown has increased the risk aversion of the private sector toward investments in frontier markets. Guarantees are important in mobilizing new investments for critical infrastructure projects exposed to sovereign risk. Over the last year the Bank has developed a number of innovative uses of the guarantee instrument. Guarantees are now being offered to cover regulatory risk in projects and to support privatization of state-owned entities in all sectors. They are also offered through facilities that provide guarantees for small and medium-sized infrastructure projects. In addition, guarantee structures that could

support output-based arrangements, mobilize local currency loans, and mitigate currency devaluation risk are being developed. The portfolio now includes a number of projects in the water, oil, gas, and transport sectors.

During fiscal 2003 an IDA partial risk guarantee of \$75 million in support of the Phu My 2 Phase 2 Power Project in Vietnam addressed fiscal issues of the government by shifting investment cost to the private sector. The IDA guarantee is expected to serve as an important milestone for attracting further private capital flows to the country. During the year the guarantee facility approved by the Board in fiscal 2001 in support of the coal and forestry sectors in Russia became effective.

REDUCING POVERTY THROUGH MICROFINANCE

The Consultative Group to Assist the Poorest (CGAP) is a multilateral organization of 30 donors housed at the World Bank. Its objective is to build

financial systems for poor people. As part of its efforts to increase the scale of microfinance, CGAP continues to work in partnership with a broad range of institutions (banks, credit unions, networks, and others) that deliver a variety of financial services, including savings, insurance, fund transfers, and credit.

CGAP's key activities in fiscal 2003 included the launch of donor peer reviews, an initiative aimed at improving aid effectiveness, whereby the microfinance policies and operations of major development agencies were reviewed. Ten international agencies underwent peer reviews in 2003, and several have made significant changes based on the recommendations of the reviews. CGAP also launched an appraisal and monitoring service for promising microfinance institutions on behalf of interested donors.

The Microfinance Gateway, launched in 2001, is now the most comprehensive source of microfinance information on the Internet, attracting over 11,000 individual users and approximately 400,000 hits per month.

Building Strong Financial Systems

The World Bank has long recognized that poverty reduction and economic growth depend on effective and strong national financial systems. Financial systems that develop unevenly and lack transparency and proper regulation are more vulnerable to financial shocks and prone to distress. Extensive Bank research has proven that these shocks and crises disproportionately affect poor people. Weak financial systems in developing countries also exacerbate poverty levels by providing inadequate access to capital and financial services to individuals and to small and medium enterprises, which are key to economic growth. The Bank contributes to these financial sector priorities in three ways: knowledge dissemination, lending and technical assistance, and partnerships.

KNOWLEDGE: RESEARCH, LEARNING, AND DISSEMINATION

In collaboration with outside groups the Bank produces cutting-edge contributions on financial sector topics to help practitioners and governments make better policy decisions. The vast majority of this research (publications and data) is downloadable from our Web site: www.worldbank.org/finance.

This year the World Bank has been at the forefront of analysis on an emerging issue of our time—electronic finance and electronic security. Electronic finance, which is becoming key to financial infrastructure, presents great opportunities to reduce the costs of financial and commercial transactions. It also presents new electronic security risks. Careful development of information technology infrastructure within the financial sector will be increasingly needed to address the electronic and related operational risks associated with e-finance. A thorough discussion of this topic is presented in the Bank's paper, "E-Security: Risk Mitigation in Financial Transactions," available with other useful material at www.worldbank.org/finance (click on E-security).

The Bank actively disseminates research and knowledge in a variety of ways. The Financial Sector Knowledge and Information Services, a dedicated team of analysts, serves as a hub of communications, research, and resources on financial sector issues for



A money exchange market in Afghanistan in 2002. A study on Informal Funds Transfer Systems (IFTS) was conducted by the World Bank.

World Bank staff, client-country authorities, and non-governmental organizations.

The Financial Sector Learning Program, a well-developed unit of the World Bank Institute, emphasizes policy dialogue and collaborative problem solving by participants. These activities take the form of conferences, regional and global workshops, and distance learning through videoconferencing and the Internet. As an excellent example of using first-hand research and creative knowledge tools, the Learning Program has followed up the joint World Bank–International Monetary Fund publication, *Developing Government Bond Markets: A Handbook*, with a series of regional hands-on seminars both for senior officials responsible for developing government bond markets and for individuals responsible for operating the bond markets. To date, regional workshops have been held in Brazil, China, Tunisia, and Turkey, serving to deliver research and policy advice to our client-country authorities who can use it to strengthen their financial systems. (See www.worldbank.org/wbi/banking.)

LENDING AND TECHNICAL ASSISTANCE

The Bank shares the increased global concern over money laundering and the financing of terrorism, particularly as the devastating economic and social

consequences are magnified for developing countries with fragile financial systems. In response, the Bank intensified its work in this area, establishing a strong, systematic program to help client countries build institutional capacity. Since September 2001 the Bank and the International Monetary Fund (IMF) have completed, initiated, or agreed to deliver 52 technical assistance programs to 40 countries and 12 regions. More than half of the country technical assistance projects involved advice or assistance in drafting legislation, with a small but increasing proportion involving laws to combat terrorist financing. In addition, with the IMF the Bank developed the Anti-Money-Laundering (AML)/Combating the Financing of Terrorism (CFT) Global Assistance Coordination Database. The database tracks technical assistance priorities or gaps in delivery among donors on these topics and enhances the information flow between international bodies by serving as a clearinghouse for all technical assistance services being provided. In a complementary effort, the Bank and IMF launched a pilot program of assessments using the AML/CFT methodology endorsed by the Bank and IMF Boards in September 2002. The assessments will be incorporated into the Financial Sector Assessment Program (FSAP) on a pilot basis.

Many Bank client countries lack access to financial services, which is a critical problem. In Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon (representing a total population of more than 30 million people), less than 3 percent of the people have access to day-to-day bank and payment services, compared with more than 90 percent in developed countries. Regarding the clearing and settlement of payment transactions, in these Central African countries the average number of transactions exchanged among banks per inhabitant per year is less than 0.05, compared with approximately 0.10 in West Africa, 3.0 in Tunisia, and 200.0 in Europe.

To address these issues, the Bank has provided assistance to BEAC (the regional Central Bank of the above-cited Central African countries) in defining large payment infrastructure reform. Using a participatory approach, the Bank has supported a project that has involved all stakeholders and is supported by a credit of \$14.4 million provided by IDA (total project cost is approximately \$22 million). The



Development of the financial infrastructure has made banking services more accessible in Africa.

Bank is widening access to financial services in this region, as well as in others where similar projects are carried out, by improving the efficiency of both country and regional payment infrastructures and by promoting the delivery of payment instruments and services to individuals and to small and medium enterprises.

FINANCIAL SECTOR POLICY ADVICE

The Bank's partnerships are essential to its ability to offer financial sector policy advice. The joint World Bank–IMF Financial Sector Assessment Program, established in 1999, helps identify financial system strengths and vulnerabilities and helps reduce the potential for crisis. In fiscal 2003 20 FSAPs have been delivered. Over the past year, heavy focus has been put on follow-up technical assistance work. A new multidonor partnership, Financial Sector Reform and Strengthening, has been established as a mechanism to support technical assistance follow-up. (See box 4.8.)

The Bank continues its strong partnerships with international organizations and standard-setting bodies such as the Basel Committee, International Organization of Securities Commissions, and the International Association of Insurance Supervisors (IAIS). The Bank responded to a direct request from the IAIS for training targeted at midlevel supervisors in our client countries. Bank insurance experts

BOX 4.8 THE FIRST INITIATIVE

The Financial Sector Reform and Strengthening (FIRST) Initiative seeks to respond to the demand for assistance following Financial Sector Assessment Programs and Reports on the Observance of Standards and Codes. The World Bank, the IMF, Canada, the Netherlands, Sweden, Switzerland, and the United Kingdom established the \$53 million global fund. FIRST delivers technical assistance and capacity building to low- and middle-income countries and provides a framework for the international donor community to coordinate and cofinance work in

the financial sector. Two examples during fiscal 2003 were:

- A regional workshop on AML/CFT in Russia in December 2002 provided participants with the practical steps needed to establish an AML/CFT regime and with examples of best practice.
- FIRST advised the West African Monetary Institute on the steps needed to develop the common banking supervisory authority in the West Africa Monetary Zone.

were able to train 250 supervisors in 23 countries over the last two years through the use of videoconferencing, the Internet, video, and chat rooms. The Bank's senior insurance experts cover topics such

as risk-based approaches to supervision, the use of early warning tests, and the regulatory ladder. Exposing supervisors to international standards and skills helps strengthen the financial sector in client countries.

Promoting Appropriate Legal and Judicial Systems

Healthy legal and judicial systems are essential to strong and effective development. Yet in many World Bank client countries, the process of lawmaking and the enforcement of laws and contracts remain less than predictable and transparent.

An essential part of the Bank's mandate is to deliver law- and justice-related products and activities in support of the Millennium Development Goals, in the context of client countries' poverty reduction strategies and the Bank's Country Assistance Strategies. The Bank is proactive and strategic in providing a disciplined, consistent approach to legal and judicial reforms, while working closely with partners in both public and private domains. (See www.worldbank.org/legal.)

In the law and justice sector, the Bank analyzes country and sector conditions, including legislative and related institutional regimes. It formulates diagnostic assessments, advises on policy reforms, reviews client-country policy statements and draft legislation, and assists in capacity building in public sector institutions to improve enforcement of contractual obligations, laws, and regulations. (See box 4.9.)

During fiscal 2003 the Bank has been focusing greater attention on the legal aspects of its work in investment climate and finance, environmental sustainability, the promotion of gender equality (see box 4.10), infrastructure (see page 74), and trade (see page 61).

INVESTMENT CLIMATE AND FINANCE

The Bank is actively engaged in improving the climate for investment and finance through its work in the areas of legal and judicial reform and financial systems improvement.

The first step toward improving the investment climate is to assess the current situation. Legal advisers appraise the results of country-specific investment climate assessments produced by the regions, and then assist in country dialogues aimed at prioritizing, mainstreaming, and implementing needed legal and judicial reforms.

During the past year the Bank has expanded its capacity to assess weaknesses in legal and judicial systems and to assist in promoting the rule of law. Legal and judicial reform is now one of the key

structural and institutional development competencies of the Bank. Work in this sector has contributed to improving the investment environment in client countries. (See www.worldbank.org/legal.)

Predictability, transparency, effectiveness, and adherence to the principles of due process by judicial institutions are all factors that contribute to a secure investment climate. During fiscal 2003 the Bank trained judges in commercial law in Ecuador and Sri Lanka, in bankruptcy in Croatia, and in effective and efficient court management in El Salvador and Mongolia. The promotion of alternative dispute resolution mechanisms, such as commercial mediation in Albania and Sri Lanka, is also being carried out.

BOX 4.9 ALL-AFRICA CONFERENCE ON LAW, JUSTICE, AND DEVELOPMENT, FEBRUARY 4–7, 2003

In mid-2000 a coalition of African jurists was formed to foster the sustainable development of Africa through the promotion of the rule of law and justice for all. Under the leadership of the Chief Justice of Nigeria, this coalition convened an All-Africa Conference on Law, Justice, and Development in February 2003 in Abuja. Conference support was forthcoming from the World Bank and bilateral donors and organizations, including France, Germany, Italy, Nigeria, the United Kingdom, the African Development Bank, and *l'Organisation Internationale de la Francophonie*. In highly interactive sessions, senior-level representatives from 41 anglophone and francophone African countries readily voiced their concerns and shared their experiences regarding law, justice, and development. Numerous chief justices, other members of judiciaries, ministers of justice, attorneys general, ministers of finance, representatives of bar associations and academia, as well as human rights activists and private legal practitioners confirmed that the challenges faced in these respects do not divide on linguistic or on civil law/common law grounds and that the sharing of relevant lessons from successes and failures is particularly important throughout Africa.

BOX 4.10 GENDER AND LAW

The Bank addresses gender disparities and inequalities that are barriers to development and assists client countries in formulating and implementing gender and development goals.

The Bank's gender mainstreaming strategy calls for the preparation of gender assessments in client countries. The assessment includes an analysis of the country's legal and regulatory framework for its gender and development goals and commitments, including international conventions such as the Convention on the Elimination of All Forms of Discrimination, frequently described as the "international bill of rights for women." In addition, the assessments review national plans aimed at promoting gender equality and eliminating discrimination against women.

In March 2003 the Bank sponsored the Fifth Annual Gender and Law Conference, titled "Laws, Institutions, and Gender Equality." The United Nations (U.N.) Special Rapporteur on Violence Against Women presented her study on the causes of violence against women, and the economic and social costs of violence. The conference also addressed customary, religious, and statutory laws; citizenship and women's relationship to the state and labor markets; and gender-based violence. Supreme Court justices from Brazil and Guatemala, a member of the Special Court for Sierra Leone investigating war crimes against women, and a member of the Office of the U.N. High Commissioner for Human Rights participated in the conference.

In the broader law and justice sector, the Bank assists law-enacting bodies, law reform commissions, bar associations, legal educational institutions, civil society, and the media. In the area of law reform, the Bank recognizes that many of our client countries still lack transparent legal frameworks that encourage appropriate market incentives and equitable and affordable access to enforcement remedies that are essential to a secure investment climate.

Well-functioning financial systems are essential for private sector-led growth, without which poverty alleviation will not be possible. They also help prevent or mitigate financial crises that would otherwise burden countries with crippling costs and increased poverty. The Bank encourages financial system reform



Justice Effie Owuor of the Kenya Court of Appeals making a contribution from the floor during one of the sessions of the All-Africa Conference. The picture was taken by a Nigerian photographer.

and the strengthening of individual financial institutions and markets. As part of this effort, in conjunction with other international organizations and in accordance with its mandate and specific competencies, the Bank assists client countries in their anti-money-laundering efforts and is actively involved in assessing the legal and regulatory environments for combating money laundering and terrorism.

In response to a need for standards in the area of insolvency and creditor rights, the Bank, in collaboration with the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, IFC, IMF, OECD, the United Nations Commission on International Trade Law, INSOL International, and the International Bar Association, has developed the World Bank Principles and Guidelines for Effective Insolvency and Creditor Rights Systems. The Principles form the basis for Bank-led assessments of insolvency and creditor rights systems under a joint program with the IMF to develop Reports on the Observance of Standards and Codes (ROSCs). To date, 14 insolvency ROSCs have been completed and another 7 are in progress. These ROSCs support diagnostic and strategic work, underpin policy dialogue and lending operations, and provide input for technical assistance and capacity-building efforts (e.g., in Argentina, Bolivia, Brazil, Croatia, the Czech Republic, Slovakia, and Turkey). Notably, the Principles have been used by countries to assess ongoing law reform efforts even where no ROSC has been undertaken (e.g., in Kosovo, Poland, and Serbia). In the Slovak Republic, insolvency reform has been a core component of

the Bank's overall work on strengthening the financial sector.

The Bank is also working to develop principles on the insolvency of financial institutions, in collaboration with the IMF, the Bank for International Settlements, and a core consultative group of experts.

In January 2003 the Bank convened a Global Forum on Insolvency Risk Management to discuss standards and strategies for the next decade. (See www.worldbank.org/firm.) One of the main objectives of the forum was to explore ways to address institutional and regulatory capacity-building challenges to promote more reliable investment systems. This led to collaboration with the International Association of Insolvency Regulators in developing a compendium of regulatory practices and experience that can assist legislators and policymakers. The Bank also sponsored a Global Insolvency Judges Forum in May 2003 at which judges from some 90 countries considered ways to expand the understanding of insolvency issues by the international community through the use of distance learning tools and the Bank's Global Insolvency Law Database. (See www.worldbank.org/gild.)

SUSTAINABLE DEVELOPMENT

The World Summit on Sustainable Development held in September 2002 identified the key role of law in achieving sustainable development. During this past year the Bank has made significant efforts to protect the global environment through the use of legal and institutional reform as well as other legal instruments, including those it pioneered for the purchase of independently verified reductions of greenhouse gas

emissions. Through workshops and a fellowship program the Bank has also provided legal capacity building for developing countries and countries with economies in transition, which has helped them participate actively in the emerging carbon market.

The latest titles in a series of monographs on Law, Justice, and Development include *The Legal and Regulatory Framework for Environmental Impact Assessments*, and *Conflict and Cooperation on South Asia's International Rivers*. Legal studies concerning public participation, land titling, and the flexible mechanisms of the Kyoto Protocol are also in preparation.

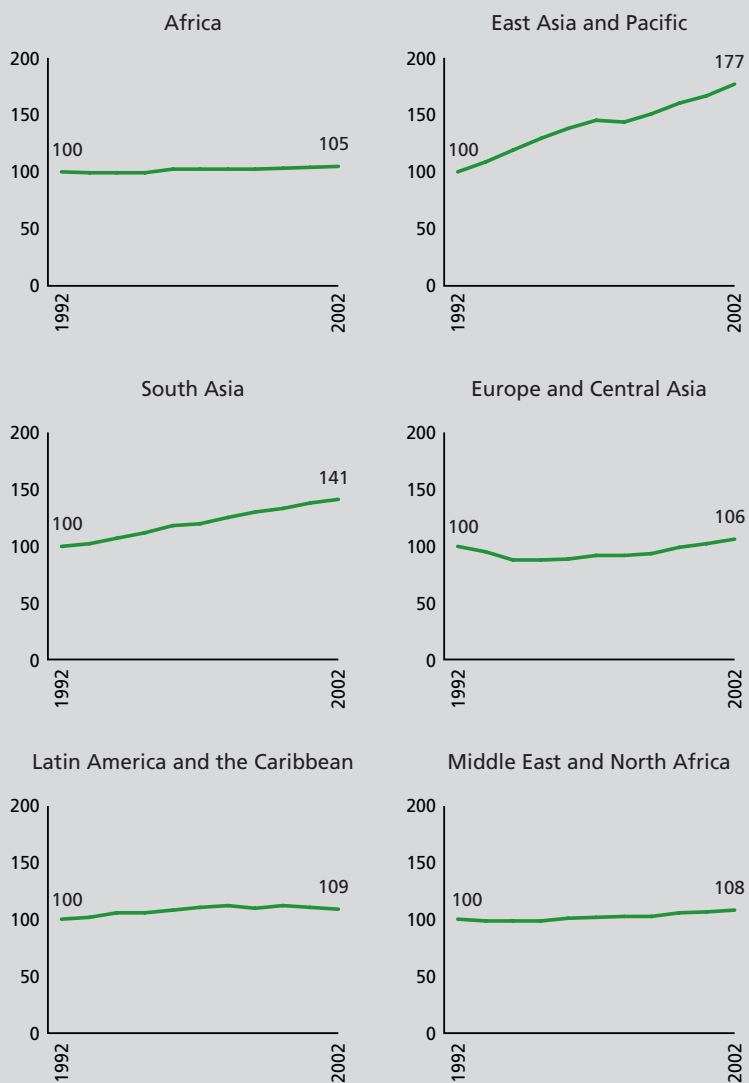
Integral to the Bank's day-to-day business are the 10 environmental, social, and legal safeguard policies that provide templates for sustainable development at the project level. (See www.worldbank.org/safeguards.)

Other policies are being reviewed as part of the effort to achieve sustainable development. For example, Bank funds may not be used to purchase land, a policy that reflects earlier concerns about serious distortions common in client-country real estate markets and frequent legal uncertainties with respect to purchases of land. The Bank, however, has come to recognize that land markets in many countries are now more stable and reliable. As a result, in this past year the Bank has begun testing a new model of large-scale land reform for application especially in poorer countries. To date, one community-managed project in India has been approved by the Bank's Executive Directors for oversight by a cross-sectoral Community Land Purchase Committee. In addition, the Bank is in the process of preparing a further project in Malawi for consideration by the Executive Directors.



Chapter 5

Gross Domestic Product per Capita Index, 1992–2002



Source: World Development Indicators database.

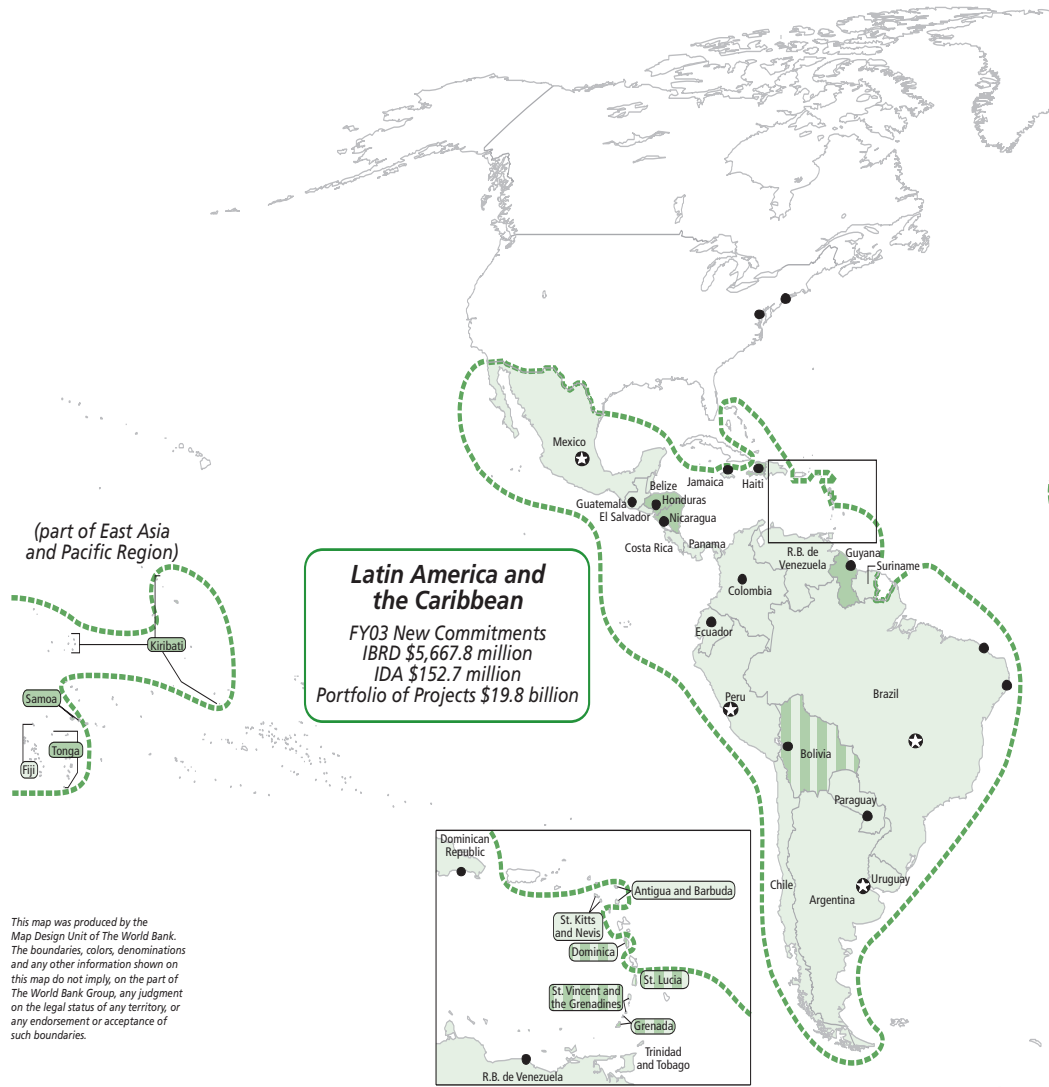
Regional Perspectives

World Bank Regions, Country Offices, and Borrower Eligibility	86
Africa	88
East Asia and Pacific	94
South Asia	99
Europe and Central Asia	104
Latin America and the Caribbean	109
Middle East and North Africa	114

Figures for the number of people with HIV/AIDS presented in the Fast Facts boxes in this chapter reflect the countries in the Bank's regions and are taken from UNAIDS estimates as of December 2002 and from *Averting AIDS Crises in Eastern Europe and Central Asia: A Regional Support Strategy* (Washington, D.C.: World Bank, 2003) for the Europe and Central Asia region.

World Bank Regions, Country Offices, and Borrower Eligibility

The World Bank today operates out of more than 100 offices worldwide. Increased presence in client countries is helping the Bank to better understand, work more closely with, and provide faster service to clients. Three-fourths of outstanding loans are managed by country directors located away from the Bank's Washington, D.C., headquarters. Thirty percent of staff are now based in country offices.



- Countries Eligible for IBRD Funds Only
- Countries Eligible for Blend of IBRD and IDA Funds
- Countries Eligible for IDA Funds Only
- Inactive IDA-Eligible Countries
- Offices of The World Bank
- ⊛ Offices with Country Director Present

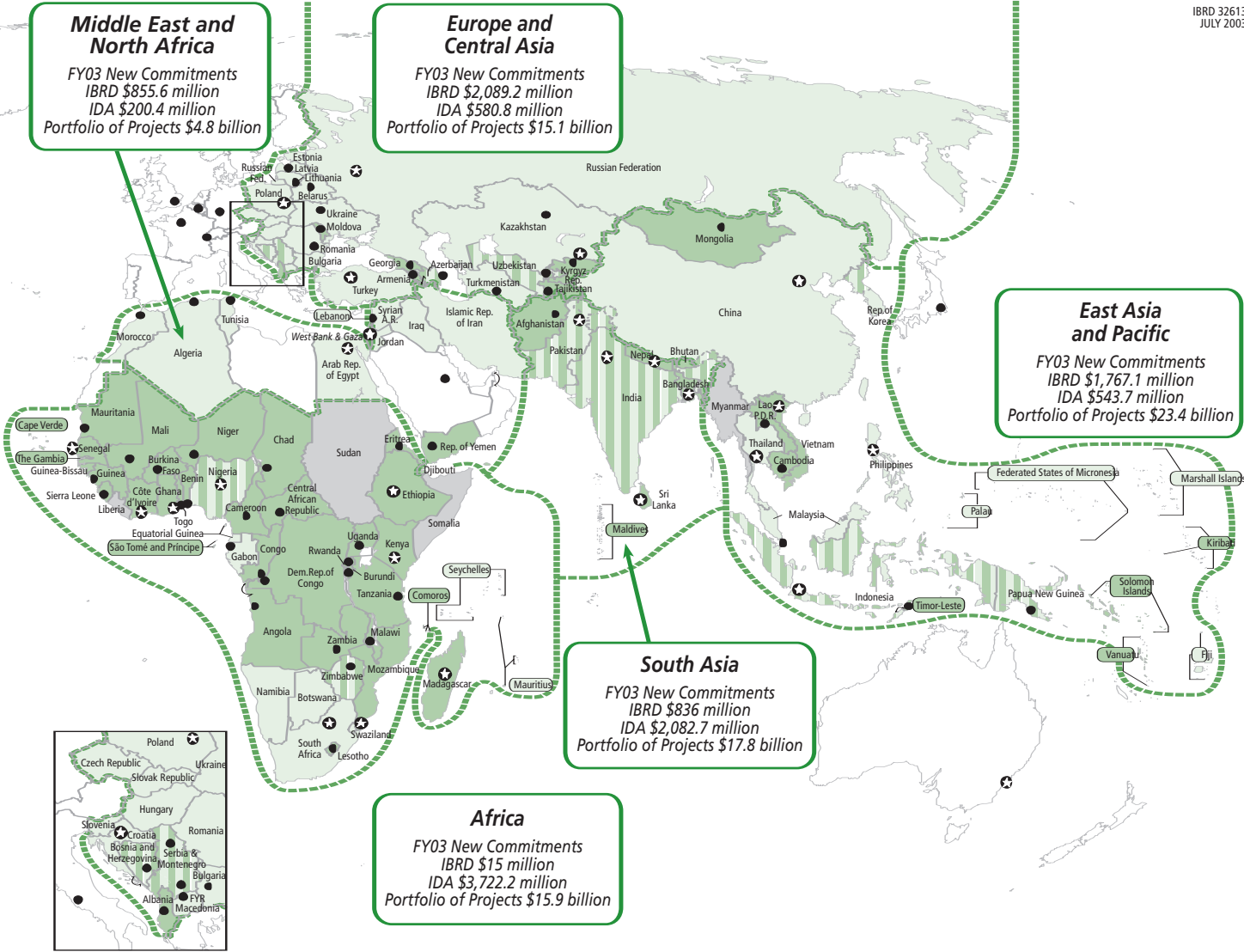
Middle East and North Africa
FY03 New Commitments
IBRD \$855.6 million
IDA \$200.4 million
Portfolio of Projects \$4.8 billion

Europe and Central Asia
FY03 New Commitments
IBRD \$2,089.2 million
IDA \$580.8 million
Portfolio of Projects \$15.1 billion

East Asia and Pacific
FY03 New Commitments
IBRD \$1,767.1 million
IDA \$543.7 million
Portfolio of Projects \$23.4 billion

South Asia
FY03 New Commitments
IBRD \$836 million
IDA \$2,082.7 million
Portfolio of Projects \$17.8 billion

Africa
FY03 New Commitments
IBRD \$15 million
IDA \$3,722.2 million
Portfolio of Projects \$15.9 billion



This map reflects the following change since fiscal 2002: Timor-Leste became eligible for IDA funds.
Please see the Offices of the World Bank and Country Eligibility for Borrowing from the World Bank tables in chapter 6.



Countries Eligible for World Bank Borrowing:

Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo, Democratic Republic of
Congo, Republic of
Côte d'Ivoire
Equatorial Guinea
Eritrea
Ethiopia
Gabon
The Gambia
Ghana
Guinea
Guinea-Bissau
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Mozambique
Namibia
Niger
Nigeria
Rwanda
São Tomé and Príncipe
Senegal
Seychelles
Sierra Leone
Somalia
South Africa
Sudan
Swaziland
Tanzania
Togo
Uganda
Zambia
Zimbabwe

Africa

Africa has continued to register progress in many areas. Sixteen countries averaged greater than 4 percent growth over the last decade. Investment and trade trends have been steady. Net foreign direct investment (FDI) to Africa rose to \$6.8 billion in 2001 but was heavily concentrated in oil-exporting countries and South Africa. Africa had the highest returns on FDI of any region in the world, and the flow of workers' remittances back to the continent doubled in only two years, reaching \$4 billion in calendar year 2002. Access to new information technologies is expanding by about 10 percent annually, with Internet use rising sharply. Air transportation has been a high-growth sector, with 31.8 million passengers recorded—a 9 percent annual increase during years preceding the terrorist attacks of September 11, 2001. Illiteracy has continued to decline, from 50 percent in 1990 to 37 percent in 2001. The continent's leaders have made progress in resolving major conflicts in the region (Angola, the Democratic Republic of Congo [DRC], the Republic of Congo, and Sierra Leone). More countries are also managing peaceful political transitions (Ghana, Kenya, Mali, and Senegal).

The continent, however, continues to face enormous development challenges. Half the population lives on less than \$1 a day. Half lack access to safe water. Only about one in four poor rural girls attends primary school. Largely because of the HIV/AIDS pandemic (with about 30 million Africans currently afflicted), health and nutrition indicators are moving in the wrong direction. Conflict still exacts a huge toll on politically fragile states. Overall gross domestic product growth is barely 3 percent, roughly in line with population.

Addressing these challenges requires adequate resources, and development partners have pledged

to make such resources available. Official development assistance (ODA) could increase by some \$12 billion annually if the commitments made at the Monterrey Summit in 2002 are met. If half of this increase goes to Africa, that would represent an increase of about 50 percent in ODA and would restore flows to about the levels of the early 1990s.

WORLD BANK ASSISTANCE

The World Bank, the largest provider of development assistance to Africa, seeks to accelerate progress toward attaining the Millennium Development Goals (MDGs) in Africa. The Bank's strategic objective is consistent with objectives outlined by African heads of state in the New Partnership for Africa's Development (NEPAD) Initiative and is based on the analysis of the study titled *Can Africa Claim the 21st Century?* Indeed, at the request of NEPAD the World Bank agreed to support the pan-African initiative in a number of specific areas: infrastructure, agriculture, regional trade facilitation, health, nutrition, population, education, community-driven development, and capital flows.

IBRD commitments in fiscal 2003 totaled \$15 million for 1 project. IDA commitments for fiscal 2003 add up to \$3.7 billion in support of 60 projects and 10 supplemental credits. The increase in recent years is expected to be sustained in the coming years, with the objective of 50 percent of IDA resources being directed to Africa.

IMPROVING GOVERNANCE AND RESOLVING CONFLICT

The Bank increased support to African countries emerging from conflict by developing an

operational agenda to better tackle postconflict issues. Currently there are 95 projects under implementation in conflict-affected countries in Africa. The DRC received the first IDA grant (\$50 million) to help stabilize the economy and contribute to addressing such pressing issues as HIV/AIDS. The Bank administers the Multidonor Trust Fund for Demobilization and Reintegration for the Great Lakes region, set up to provide a comprehensive framework for disarmament, demobilization, and reintegration efforts in the sub-regional area.

The Bank is focusing on better management of revenues from natural resources (which help finance African conflicts). It has launched an initiative that aims to promote international policy measures to improve transparency of revenues from commodity exports (oil and gas) and reduce rents from illegal trade of commodities linked to conflict (diamonds, precious metals, and timber).

To help clients better capture and integrate issues of anticorruption into poverty-alleviation efforts the Bank strengthened its operational programs in capacity building, governance, and public sector management. Its strategy is detailed in *Reforming Public Institutions and Strengthening Governance*.

DEVELOPING HUMAN RESOURCES

Developing human capital is key to reducing poverty through better access to education and health services and through social protection interventions to help vulnerable groups. In fiscal 2003 over 21 percent (\$811 million) of the Bank's commitments in Africa were for human development. Communicable diseases, notably HIV/AIDS, pose critical challenges for Africa's development. The Bank has approved \$1 billion over time to fight HIV/AIDS in Africa and remains the region's leading financier of HIV/AIDS programs. Through the Multicountry HIV/AIDS Program for Africa, \$600 million has been committed by 20 countries. This program has approved 18 projects, of which 15 are already effective. Other health, nutrition, and population programs involved 47 projects in 30 countries. (See box 5.1.)

The Bank is actively involved in 41 education projects in the region, particularly focusing on primary education and on countries with low enrollments. Commitments in fiscal 2003 were \$423.6 million. Education for All has emerged as an important priority, especially for girls, not only because of its

Africa Fast Facts

Total population: 0.7 billion
 Population growth: 2.2%
 Life expectancy at birth: 46 years
 Infant mortality per 1,000 births: 105
 Female youth illiteracy: 27%
 2002 GNI per capita: \$450

Number of people living with HIV/AIDS: 28.5 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

**Total FY03
 New Commitments**
 IBRD \$15 million
 IDA \$3,722.2 million

**Total FY03
 Disbursements**
 IBRD \$54.8 million
 IDA \$3,226.2 million

Portfolio of projects under implementation as of June 30, 2003: \$15.9 billion



Road transportation is now the dominant form of transportation in the Africa region. Nearly 2 million kilometers of roads make up the region's road network. This road project in Tanzania is financed by IDA through the Tanzania Social Action Fund (TASAF).

BOX 5.1 HIV/AIDS IN AFRICA

- HIV/AIDS has infected more than *50 million Africans* since the start of the epidemic.
- Nine African countries have more than 1 million people living with HIV/AIDS. The 21 countries with the highest infection rates on earth are all in Sub-Saharan Africa. It is most worrisome that, among 15–24-year-olds, 9 percent of women and 4.3 percent of men are infected. This reveals the profound gender dynamics of the epidemic and foretells continued spread in the next generation.
- *Demographic impact:* Life expectancy has fallen by more than a decade in many countries and is now probably less than 40 years in the hardest-hit countries. Mortality has already doubled among working-age adults in many countries and will continue to rise.
- *Development impact:* Teacher deaths have doubled in Zambia and tripled in Kenya. Last year nearly 1 million African pupils lost a teacher to the epidemic. AIDS has greatly aggravated the impact of this year's drought. Because of AIDS, South Africa's economy could be 17 percent smaller in 2010, with major implications for trading partners across the continent. AIDS is probably already costing Africa 1 percent of per capita growth a year. The forecast of 20+ million orphans by 2010 will pose an unprecedented social welfare challenge. As AIDS impoverishes millions of people, the poor are more likely to be forced into jobs or situations that put them at enhanced risk for HIV, thus driving a vicious circle.
- *MDGs challenge:* Africa has no chance of achieving a majority of the MDGs until HIV/AIDS is overcome. The epidemic is already pushing Africa in the wrong direction on several of the goals and is slowing progress toward others.
- *Promise of renewed partnership:* The last three years have brought unprecedented improvement in donor collaboration on HIV/AIDS—at both country and global levels. Recent all-donor joint reviews led by government are a promising model for country-led, harmonized program support.

Note: Data in this box are as of December 31, 2002.

implications for productivity but also because of its strong links to other social goals, such as reducing maternal and child mortality.

There is an urgent need for African countries to strengthen their tertiary education systems to help them better respond to the needs of their economies. The Bank is actively supporting this effort and is now financing some aspects of tertiary education in approximately 20 African countries. (See box 5.2.)

Another focal area is the interaction between HIV/AIDS and education. HIV/AIDS has devastating effects on education systems, especially in high-prevalence countries, for example, through the sharply increased mortality and absenteeism of teachers. These effects are not well understood and generally are not addressed. At the same time, in most countries education is not yet playing the effective role it should play in promoting behavioral change to prevent HIV/AIDS infection. Unfortunately the pandemic has led to an alarming increase in orphans—a population projected to grow from about 13 million to perhaps 35 million children in 2010. Several major studies are being carried out to develop “good practice” guidelines for (a) maximizing the role education can play in HIV/AIDS prevention, (b) addressing the impact of HIV/AIDS on education systems, and (c) ensuring the provision of basic education to orphans. Furthermore, the Bank is working with the Joint United Nations Programme on HIV/AIDS' Inter-Agency Task Team on Education to help countries build capacity to address these concerns and to develop interventions that can be supported under the IDA-financed Multicountry HIV/AIDS Program.

Social protection—targeted activities to improve or protect human capital, ranging from labor market interventions to income support and including pension reform—has been a growing area of attention (\$543.7 million or 14.6 percent in fiscal 2003). Social funds account for 60 percent of the Africa region's current social protection portfolio, constituting some of the most promising programs for community-based development.

PROMOTING INCREASED GROWTH

Growth in Africa will require a sound policy and institutional climate for investment—both domestic and foreign—and a lower cost of doing business, including better infrastructure. Bank funding for infrastructure projects in the region more than

BOX 5.2 AFRICAN VIRTUAL UNIVERSITY

The African Virtual University (AVU) is a first-of-its-kind interactive-instructional telecommunications network established to serve the countries of Africa. The Bank is its largest supporter, with commitments of \$13 million over three years. The AVU leverages the power of modern telecommunications technology to provide world-class quality education and training programs to students and professionals in Africa. With more than 50 percent of its 700 million people under 20 years of age, several factors drive the demand for such education at the tertiary level in Africa:

- Limited places in universities for the graduates of high schools
- Overstretched government budgets
- Expensive and oversubscribed private education at the tertiary level
- A large labor force that requires the upgrading of skills
- The growing isolation of Africa from global knowledge.

AVU has been transformed from being a project of the World Bank to being an independent, intergovernmental organization based in Nairobi, Kenya, with 34 learning centers in 17 African countries.

To date, AVU has accomplished the following tasks:

- Created a network of partner institutions in francophone, anglophone, and lusophone African countries with learning centers hosted mainly in public universities
- Launched an accredited degree and diploma in computer science
- Registered more than 23,000 students in its semester-long courses
- Enrolled close to 2,500 professionals in executive business seminars
- Delivered in excess of 3,000 hours of instructional programs, based on materials from leading universities in Africa, Australia, Europe, and North America
- Provided 1,000 personal computers to learning centers
- Set up a network of 45,000 e-mail account holders and a digital library of more than 1,000 journals
- Achieved greater than 40 percent participation of women in AVU's pre-university courses at the most active learning centers.

The AVU plans to expand coverage across Africa over the next five years and to partner with NEPAD to enhance human capacity for sustainable development.



An Internet café in Kampala, Uganda. Information and communication technologies and distance education can help address key education issues of quality, access, and effective management in client countries.

doubled between fiscal 2001 and fiscal 2003. The infrastructure strategy is organized around (a) providing access to basic services to all; (b) furnishing a minimum infrastructure platform to render the countries viable for private business, investment, and the creation of wealth; and (c) building a “good business address.”

Regional integration is critical to creating larger markets to achieve economies of scale, foster competition, and attract foreign investment. The Bank has formulated regional integration assistance strategies for West and Central Africa and is planning such strategies for eastern and southern Africa. These strategies support harmonization of macroeconomic policies, liberalization of intraregional trade, and promotion of regional investment, as well as development of regional projects in infrastructure and the strengthening of regional institutions' capacity. The Bank also supports initiatives aimed at increasing

Figure 5.1 Africa: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$3.7 billion

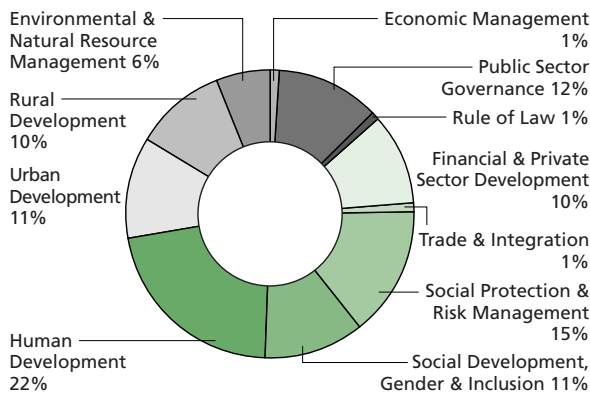
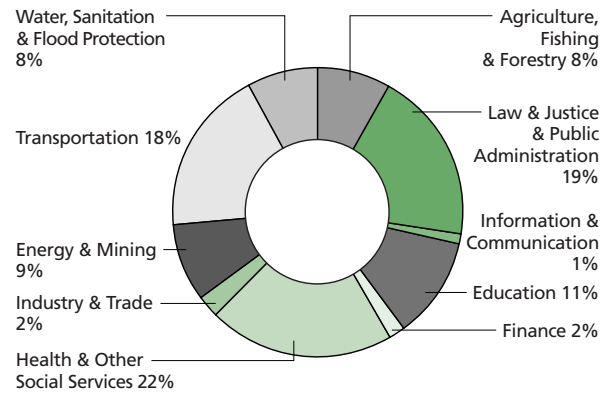


Figure 5.2 Africa: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$3.7 billion



cooperation to address common issues in a regional context, such as the Nile Basin Initiative, and measures to prevent transmission of HIV/AIDS along regional transportation corridors.

DEBT REDUCTION AND DEVELOPMENT ASSISTANCE

The Bank has continued its efforts to have African countries fully benefit from debt relief through the Heavily Indebted Poor Countries (HIPC) Initiative and to ensure the effective use of debt relief resources in alleviating poverty. Under the initiative, 22 African countries have reached the decision point (when the amount of debt relief is decided and begins to flow), and 5 have reached the completion point (when relief of future debt service becomes irrevocable). As of June 30, 2003, HIPC debt relief for World Bank debt

was \$2.31 billion, of which \$2.13 billion was for Africa. Debt service payments to the Bank have been reduced by more than 60 percent. The ratio of social expenditure to government revenue in these countries has steadily increased: from 33 percent in 1999 to 54 percent in 2002.

Improving resource flows to Africa involves both increasing the quantity and improving the quality of assistance. Countries (e.g., Tanzania) have moved toward a new partnership model, with the initiation of a process of independent review of the performances of both donors and the government against their respective commitments. Country-led CASs are at the center of the agenda adopted in fiscal 2003 by the Strategic Partnership for Africa, the lead regional forum for aid coordination. IDA has been moving toward supporting these strategies through program lending.

Table 5.1 World Bank Lending to Borrowers in Africa, by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	160.7	165.0	78.2	138.5	138.7	37.8
Public Sector Governance	317.4	291.7	495.3	429.6	851.9	432.4
Rule of Law	38.2	21.0	26.7	34.0	22.5	34.5
Financial and Private Sector Development	570.6	509.0	466.7	625.8	780.7	383.6
Trade and Integration	146.3	120.5	53.7	261.5	46.4	37.2
Social Protection and Risk Management	78.5	117.2	140.5	376.4	98.3	543.7
Social Development, Gender, and Inclusion	140.0	167.6	210.5	491.8	347.4	420.0
Human Development	244.3	267.7	208.5	399.4	739.0	811.4
Urban Development	262.7	253.8	154.9	206.1	279.6	425.5
Rural Development	203.9	393.6	151.8	296.3	329.2	384.1
Environmental and Natural Resource Management	227.9	156.0	172.4	110.0	159.9	227.0
Theme Total	2,390.6	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2
SECTOR						
Agriculture, Fishing, and Forestry	156.8	170.0	111.5	212.0	210.4	303.4
Law and Justice and Public Administration	532.7	610.9	834.9	880.8	906.9	721.8
Information and Communication	5.8	36.7	17.3	21.1	33.8	41.4
Education	188.3	304.4	189.8	209.5	472.6	423.6
Finance	158.8	53.7	121.7	200.1	192.8	67.2
Health and Other Social Services	265.8	273.6	183.1	889.9	616.6	775.9
Industry and Trade	326.8	94.3	104.7	170.6	266.7	92.7
Energy and Mining	243.3	244.0	176.3	198.0	490.3	324.4
Transportation	352.6	533.5	263.9	229.8	491.1	690.5
Water, Sanitation, and Flood Protection	159.8	142.0	155.9	357.8	112.2	296.3
Sector Total	2,390.6	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2
Of which IBRD	66.1	31.2	97.7	0.0	41.8	15.0
Of which IDA	2,324.5	2,432.0	2,061.4	3,369.6	3,751.6	3,722.2

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding. In fiscal 2003 under phases I and II of the Multicountry HIV/AIDS Program (MAP) for Africa, the Bank approved 5 operations (Guinea, Mozambique, Niger, Rwanda, and Zambia) totaling \$172.8 million in new IDA commitments.

Countries Eligible for World Bank Borrowing:

Cambodia
China
Fiji
Indonesia
Kiribati
Korea,
Republic of
Lao People's
Democratic
Republic
Malaysia
Marshall Islands
Micronesia,
Federated
States of
Mongolia
Myanmar
Palau
Papua New
Guinea
Philippines
Samoa
Solomon Islands
Thailand
Timor-Leste
Tonga
Vanuatu
Vietnam



East Asia and Pacific

Five years after the financial crisis, East Asia has reestablished itself as the fastest growing region in the world. Growth rose more than 2 percentage points in 2002 to 6.7 percent—a surprisingly robust rate given the slow pace of global recovery and high levels of uncertainty in the world economy. China continued to emerge as a key regional locomotive, growing by 8 percent and attracting nearly 40 percent of the growth in exports of other East Asian economies.

Poverty at the \$2-a-day level is estimated to have fallen to its all-time lowest levels—to about 40 percent for the region as a whole. Most countries have experienced declines in poverty, including countries such as Indonesia, the Philippines, and Thailand, where poverty rates had risen after the 1997–98 financial crisis, but where they have now fallen back to or are approaching precrisis levels.

In 2003 the recovery in the region has been buffeted by a number of unexpected shocks: the outbreak of the sudden acute respiratory syndrome (SARS) virus, uncertainty associated with the Iraq war, higher oil prices, and renewed weakness in the developed world. However, with the SARS epidemic having been controlled and the number of new cases having trailed off by the end of the second quarter, regional growth should still reach or exceed a relatively robust 5 percent in 2003. For the longer term the outlook for the region remains positive, provided countries continue to focus on improving public security and rule of law, maintaining sound macroeconomic management, and strengthening governance. In addition, countries need to complete the restructuring agenda left over from the crisis, improve financial sector supervision and regulation, and undertake

broader reforms to strengthen the investment climate.

BANK ASSISTANCE

During the fiscal year, the World Bank supplemented policy advice and technical support with \$2.3 billion in new loans. The Bank continues to focus on:

- Improving the investment climate and revitalizing the business sector, including supporting public sector performance and enhancing governance, transparency, and accountability
- Empowering poor people and enhancing social stability
- Addressing global priorities, including environment, trade, and the Millennium Development Goals (MDGs).

BUILDING THE CLIMATE FOR INVESTMENT

The Bank is working in a number of areas to help create the kind of environment necessary for sustainable growth and poverty reduction.

Investment Climate Assessments, under way in Cambodia, China, Indonesia, Malaysia, Mongolia, the Philippines, and Thailand, aim at improving the institutional environment for private investment and identifying reforms that will lead to higher productivity, more efficient firms, and ultimately more job creation. In Mongolia a legal reform project is supporting the establishment of an administrative court system, capacity building for legal and judicial information, and legal education. In China a team of Bank experts is advising senior officials on financial sector reform, including bank restructuring, capital market development, finance for small firms, and rural finance. And the Bank is

using its semiannual reviews of the region's economic prospects, trends, and issues to increasingly add to the policy debate throughout the region.

The Bank is emphasizing innovative activities throughout East Asia. To assist the region in meeting high-tech challenges of an increasingly competitive world, a new study, *Innovative East Asia: the Future of Growth*, offers a set of policy measures for developing and strengthening innovative capabilities. The Global Development Learning Network (GDLN) provides regional and country-specific knowledge programs in 14 centers throughout Asia. And a new initiative, InfoCity, has been building electronic networks among city governments in the Philippines—and expanding to China and Indonesia—to foster partnerships and exchange the latest practices and innovations for city management.

The Bank addresses governance issues through supporting programs that decentralize government and build government capacity; at the same time, the Bank supports programs emphasizing public sector transparency and greater stakeholder participation. It is currently studying e-government initiatives to assess the role those initiatives might play in decreasing corruption through greater transparency and enabling greater citizen interaction with government. Two capacity-building projects in Cambodia and the Lao People's Democratic Republic are helping strengthen government capacity in a number of areas: management practices, policy development and implementation, public expenditure management, human resource management, governance, and public administration. And in Indonesia the Partnership for Governance Reform continues to make advances on anti-corruption initiatives and reforms in the civil service and in the legal and judicial sectors.

EMPOWERING POOR PEOPLE

The Bank focuses on policies and institutions that help households manage social risks, build an effective social policy framework, and enable poor people to participate in the benefits of growth. A key point of its strategy in low-income countries is assisting the government in developing a Poverty Reduction Strategy Paper (PRSP)—a country-owned framework of macroeconomic, structural, and social policies and programs needed to promote growth and reduce poverty. Another important element is a rural development initiative aimed at increasing incomes

East Asia and Pacific Fast Facts

Total population: 1.8 billion
 Population growth: 0.9%
 Life expectancy at birth: 69 years
 Infant mortality per 1,000 births: 34
 Female youth illiteracy: 3%
 2002 GNI per capita: \$950
Number of people living with HIV/AIDS: 2 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

**Total FY03
 New Commitments**
 IBRD \$1,767.1 million
 IDA \$543.7 million

**Total FY03
 Disbursements**
 IBRD \$2,303.5 million
 IDA \$774.3 million

Portfolio of projects under implementation as of June 30, 2003: \$23.4 billion



In the last decade, Vietnam has greatly reduced the incidence of poverty—reflected both in rising per capita expenditure and in widespread reports of improvements in broad well-being.

and opportunities in rural areas, given that well over three-quarters of East Asian poor people live in rural areas.

Social programs have increasingly emphasized community empowerment and demand-driven approaches to promote efficiency, transparency, and effectiveness. In Timor-Leste the First Agriculture Rehabilitation Project has helped communities receive farm animals and farm tools, has repaired small irrigation schemes and roads, and has trained agriculture staff. The Second Kecamatan Development Project is benefiting 25 to 30 million rural Indonesians by giving villagers tools for developing their own community through investments in basic infrastructure such as feeder roads, drainage canals, markets, water supply pipes, and microcredit schemes.

The Philippines Social Fund for Peace and Development Project is working to foster lasting development in Mindanao by providing support to implement community projects and by involving the groups most affected by the ongoing conflict. In Mongolia the Sustainable Livelihoods Project is helping tackle poverty among the country's rural nomads (41 percent of the population) by expanding their access to financing, providing small-scale investment in infrastructure, and assisting with pastoral risk management. And in China, where tuberculosis is the leading infectious cause of death, the Bank is helping finance an expansion of the national tuberculosis control program to reach more of the poor, who are disproportionately affected by the disease.

GLOBAL PRIORITIES

The Bank's East Asia and Pacific region is focusing activities on the following global priorities.

Improving the Environment

The Bank integrates environmental components into much of its lending in rural, urban, water, and energy sectors. Furthermore, the Bank has forestry management programs under way in Cambodia, China, Papua New Guinea, and the Solomon Islands, and provides policy advice to Indonesia. The Bank is assisting China's water management goals, including lending for flood prevention, irrigation system development, comprehensive river basin management, and water conservation in water-short agricultural areas of northern China. And the Bank is using the environment monitor series—annual country-based

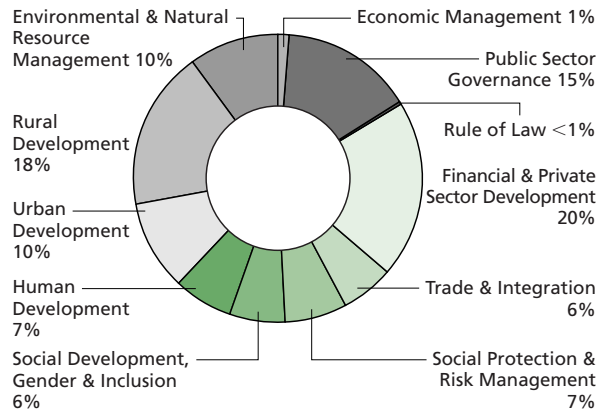
BOX 5.3 TRADE IN EAST ASIA

Although the region has benefited tremendously from trade integration—specifically export-driven growth—the East Asian financial crisis brought a sense of vulnerability, particularly for the lower income countries, many of which have yet to see the benefits of integration.

With this in mind the Bank is studying the impacts of trade and ways to improve integration in the region to help countries better position themselves and benefit from trade. Key parts of the study focus on the effects of regional and global integration on the poorer countries and households and on declining sectors. The study addresses behind-the-border issues, including technical barriers and product standards, logistics, services sectors, intellectual property rights, and environmental and labor standards.

The Bank has supplemented the research through consultations with key audiences, workshops in Asian capitals, and development of GDLN Trade Dialogues in partnership with the World Bank Institute.

Figure 5.3 East Asia and Pacific: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$2.3 billion

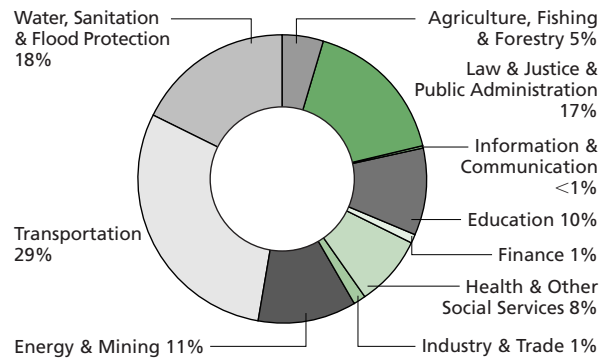


reports that track environmental issues of key concern to client countries—in most East Asian countries to keep environmental issues on the agenda of policymakers and public alike.

Fostering Trade

The Bank is advising countries and the region through research on the effects of trade and ways to improve integration in the region to benefit the country's growth and achieve poverty reduction goals. Besides working with China on trade issues, the Bank is helping Cambodia and Lao PDR build in-country capacity to analyze the impacts of trade integration and to implement pro-poor trade policies. And the

Figure 5.4 East Asia and Pacific: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$2.3 billion



Bank also is advising Vietnam on World Trade Organization accession issues and providing assistance on the kinds of reforms Vietnam needs to undertake for accession. (See box 5.3.)

Helping Countries Reach the Millennium Development Goals

In addition to ongoing policy and lending work aimed at reaching the MDGs, the Bank is assisting countries, such as Cambodia, Lao PDR, Mongolia, Thailand, Timor-Leste, and Vietnam, with improving data collection and analysis and with building their capacity to monitor trends in poverty and social indicators.

Table 5.2 World Bank Lending to Borrowers in East Asia and Pacific, by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	36.5	280.0	0.0	0.0	4.8	29.7
Public Sector Governance	215.8	543.1	556.2	65.1	127.4	341.5
Rule of Law	73.4	19.2	9.3	3.8	20.3	7.3
Financial and Private Sector Development	1,393.3	4,441.8	627.6	310.9	512.8	458.8
Trade and Integration	161.1	333.2	36.2	40.0	43.3	138.0
Social Protection and Risk Management	179.3	708.4	55.2	239.4	138.7	161.5
Social Development, Gender, and Inclusion	181.6	273.5	72.1	248.0	173.0	143.7
Human Development	411.4	406.1	81.1	52.6	226.4	152.7
Urban Development	734.3	900.8	230.6	433.1	63.6	233.6
Rural Development	913.2	855.6	430.3	341.6	360.9	411.7
Environmental and Natural Resource Management	1,203.7	932.4	880.4	399.3	102.3	232.3
Theme Total	5,503.6	9,694.2	2,979.1	2,133.8	1,773.6	2,310.8
SECTOR						
Agriculture, Fishing, and Forestry	464.0	803.8	118.4	109.7	151.2	106.7
Law and Justice and Public Administration	425.8	1,066.5	590.3	255.3	115.2	385.1
Information and Communication	206.9	51.9	20.0	12.5	11.1	6.6
Education	417.7	411.6	84.4	14.8	134.6	225.7
Finance	207.4	3,180.8	36.3	89.6	219.2	22.7
Health and Other Social Services	253.5	581.6	118.4	217.3	243.8	184.1
Industry and Trade	242.7	1,569.8	28.8	151.8	9.4	32.5
Energy and Mining	1,623.6	517.0	640.5	142.2	314.5	254.3
Transportation	1,121.7	1,133.3	584.4	729.7	540.2	684.3
Water, Sanitation, and Flood Protection	592.0	377.9	757.7	410.8	34.4	408.7
Sector Total	5,503.6	9,694.2	2,979.1	2,133.8	1,773.6	2,310.8
Of which IBRD	4,385.8	8,800.9	2,495.3	1,136.1	982.4	1,767.1
Of which IDA	1,117.8	893.3	483.8	997.7	791.2	543.7

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding. Fiscal 2003 lending numbers in this table do not include the following: special financing of \$6.5 million to Timor-Leste and an IDA guarantee of \$75 million to Vietnam.



Countries
Eligible for
World Bank
Borrowing:

Afghanistan
Bangladesh
Bhutan
India
Maldives
Nepal
Pakistan
Sri Lanka

South Asia

South Asia's political, religious, ethnic, and linguistic differences are a testament to the diversity of the region. Although rich in diversity, the region remains one of the most disadvantaged areas in the world. More than one-third of its 1.4 billion people live on less than \$1 a day, making South Asia home to nearly 40 percent of the world's poor people. Only 55 percent of the adult population is literate, with the literacy rate for adult females only 44 percent. Because of the sheer size of the population, South Asia's performance is critical to achieving the Millennium Development Goals (MDGs).

South Asia's growth rate has remained substantially positive, averaging 4.2 percent of gross domestic product for calendar 2002, despite the recent global economic slowdown, adverse weather patterns, and political instability in the region. This figure, however, masks some variations in performance among the eight South Asian countries.

During fiscal 2003 the South Asia region saw the peace process in Nepal and Sri Lanka advance and witnessed continued engagement by the international community in Afghanistan. In Bangladesh encouraging progress has been made on governance reforms since the general elections of 2001. Pakistan's military government held elections for the first time since 1999 and a coalition government was formed.

In Afghanistan reconstruction and development efforts are moving forward, but security concerns in parts of the country and in major cities remain an obstacle. In Nepal, notwithstanding a ceasefire agreed to between the government and Maoist insurgents in January 2003, the political landscape has remained highly fluid with the dissolution of Parliament in October 2002 and two changes in government since that time. In Sri Lanka an

evolving peace process between the government and the Liberation Tigers of Tamil Eelam has enabled the country to move ahead with much-needed reforms in the war-ravaged areas to the north and east.

Although there is no clear consensus on a uniform methodology to measure poverty rates across the region, Bank-sponsored analytical work in Bangladesh, India, Nepal, Pakistan, and Sri Lanka is paving the way toward a better understanding of recent poverty trends. In Bangladesh the recent Poverty Assessment and the government's Interim Poverty Reduction Strategy Paper show that the pace of poverty reduction has picked up considerably during the 1990s. Likewise, a broad consensus has emerged that India has made substantial progress in poverty reduction during this period, but more attention is needed to address disparities, especially between states, if the country is to achieve the MDGs. In Pakistan a new Poverty Assessment presented extensive data on poverty and concluded that the country needs to close its social gap in order to enhance its ability to grow over time.

WORLD BANK ASSISTANCE

The Bank's work in South Asia is rooted in five interrelated strategic objectives that are central to delivering on the institution's overarching mission. These are poverty reduction, fiscal stability, governance, HIV/AIDS and related diseases, and issues of water. Intermediate goals underpinning these objectives include improved macroeconomic management, improved governance, a strengthened private sector investment climate, improved access to basic services for the rural and urban poor populations, progress on human development, stronger management of the natural environment, and reduced risk and vulnerability for poor people. Bank lending is guided by the principal strategic drivers

South Asia Fast Facts

Total population: 1.4 billion
 Population growth: 1.7%
 Life expectancy at birth: 63 years
 Infant mortality per 1,000 births: 71
 Female youth illiteracy: 40%
 2002 GNI per capita: \$460
Number of people living with HIV/AIDS: 4.1 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

**Total FY03
 New Commitments**
 IBRD \$836 million
 IDA \$2,082.7 million

**Total FY03
 Disbursements**
 IBRD \$700.3 million
 IDA \$1,953.6 million

Portfolio of projects under implementation as of June 30, 2003: \$17.8 billion



Through the Emergency Public Works and Community Empowerment Project in Afghanistan, work commences on the rehabilitation of the Salang Tunnel, the only entry point to Kabul for humanitarian aid and other goods as well as for refugees returning from the North.

and is based on an extensive program of analytical work in the form of reports, workshops, policy notes, and ongoing policy dialogue. Lending for fiscal 2003 was \$2.9 billion. Priorities were support for reform and investments in infrastructure, agriculture, health, education, and rural development. Additional Bank activities in the region included ongoing commitments to postconflict and emergency reconstruction efforts in Afghanistan and Sri Lanka. (See box 5.4.)

BUILDING THE CLIMATE FOR INVESTMENT

A strong and healthy investment climate is a priority across the region, and improving governance is a prerequisite for this. Enabling the private sector to fully

contribute to economic development is also essential. Analytical work, lending operations, and policy dialogue are aimed at developing a favorable investment climate that is sustainable over time.

The World Bank report, *Bangladesh: Improving Governance for Reducing Poverty*, published in January 2003, suggested that governance reforms should be prioritized.

The Bank's Board discussed a Country Assistance Strategy (CAS) progress report for Nepal that linked the level of the Bank's available resources to the pace of reform in the country. A \$16 million Financial and Technical Assistance Project is expected to help the country modernize its aging banking system. Sri Lanka's efforts to secure a lasting peace received support from a credit to help the government implement a \$15 million Economic Reform and Technical Assistance Project to invigorate the economy and expand the role of the private sector. Building on this, a \$125 million Poverty Reduction Support Credit is helping improve Sri Lanka's overall investment climate for facilitating growth led by the private sector. Similarly, in Bangladesh a \$300 million Development Support Credit is helping improve the investment climate and ease governance constraints on private sector investment.

The improvement of roads and other travel infrastructure is a critical component for the Bank's work in South Asia because it has a major effect on poverty reduction—reducing transportation costs and increasing access to markets, education, and healthcare. Infrastructure projects in Afghanistan, Bangladesh, India, and Nepal are under way, providing much-needed investments that will help reduce transportation costs and facilitate access to basic health and education services by poor people. India's \$488 million Uttar Pradesh State Roads Project will help upgrade 3,500 kilometers of the state's existing road network.

In Afghanistan the \$108 million Emergency Transport Rehabilitation Project aims to support the government by removing transportation bottlenecks and promoting the rehabilitation of the highway and aviation networks. Among other things it has done, the \$42 million Emergency Public Works and Community Empowerment Project has provided for rehabilitation of the Salang Tunnel, which covers a critical section of the highway connecting the city of Kabul to eight provinces. The tunnel is also the only entry point to Kabul for humanitarian aid and other goods, as well as for refugees returning from the North. In Pakistan a

BOX 5.4 CONFLICT RESOLUTION, PEACE, RECONCILIATION, AND RECONSTRUCTION

In fiscal 2003 the Bank provided support to the government of Afghanistan by administering the internationally supported Afghanistan Reconstruction Trust Fund, which is helping cover recurring government costs and salaries.

A new Transitional Support Strategy (TSS) outlines the Bank's intended engagement over the next two years as the country moves from an emergency orientation to one focused on longer-term development. The TSS supports the government's own National Development Framework, focusing on four areas: improving livelihoods; assisting the government with its fiscal strategy, institutions, and management; supporting governance and public administration reform; and helping enable private sector development.

The Bank's lending program in Afghanistan was revived in fiscal 2003 by the approval of Afghanistan's Emergency Transport Rehabilitation Project, a \$108 million IDA credit, adding to the \$100 million in grants that were approved for emergency reconstruction in fiscal 2002. The loan was made possible by

Afghanistan's clearing of all unpaid debt to the World Bank, which allowed the country to become eligible for loans for projects that move beyond the emergency situation to help meet its longer-term development needs.

In Sri Lanka the Bank restructured its portfolio in fiscal 2003 and approved a \$46 million package to provide immediate support to the North East reconstruction efforts. It is also administering Sri Lanka's North East Reconstruction Trust Fund, which is designed to meet the immediate needs of people affected by the former conflict and to provide donors with a channel for funneling resources rapidly. The Bank's Board discussed a new CAS for the country this year. New projects were approved in health, rural water supply, and financial sector reform.

The WBI has developed learning programs that support the priorities reflected in both the Afghanistan Transitional Support Strategy and the Sri Lanka CAS. In fiscal 2003 WBI established the Afghanistan and the Sri Lanka Distance Learning Centers, both of which use the latest distance learning tools and technologies.

second generation of adjustment loans to provincial governments was approved, including the \$100 million Sindh Province Structural Adjustment Credit to support the Sindh's economic reform program, and the \$90 million Poverty Reduction and Economic Management Credit to the North-West Frontier Province in support of the province's economic and social reform program.

EMPOWERING POOR PEOPLE

Central to the Bank's work in the region is South Asia's poverty reduction strategy: to ensure that opportunities for improved livelihood are widely available across the entire spectrum of society and to remove constraints that exclude people from participating in development and sharing its benefits. Empowerment activities take place in both analytical and advisory services and lending. The Bank focuses on two areas: promoting education and health for all, and supporting pro-poor rural development.

The Bank's strong support for the social sector focuses on promoting gender equality. In rural

development the District Poverty Initiative Project in the Indian state of Andhra Pradesh is approaching a new phase, with expansion from the initial six districts to cover the entire state and with a sharper focus on the poorest and most vulnerable communities. The \$150 million Andhra Pradesh Rural Poverty Reduction Project has a component that promotes residential schools to ensure girls' enrollment. In Bangladesh the Bank's \$18.2 million Social Investment Program Project targets excluded and vulnerable groups, particularly the poorest of the poor and women, through institutional development at the local level and the promotion of village organizations, with assistance from civil society and not-for-profit organizations. Additionally, the Bangladesh Development Support Credit is helping improve the management of public sector expenditure by supporting policies to improve overall financial management and procurement and strengthen public sector accountability. In Sri Lanka the Poverty Reduction Support Credit will support actions to strengthen governance in the public sector, accelerate rural development, and improve the welfare system. In Nepal the Bank is assisting the government



For many people in South Asia fetching water remains an arduous and time-consuming task. A woman in Kabul carrying water from a communal well.

to implement its strategy of transferring education, health, irrigation, and water supply facilities to community management through investment projects.

GLOBAL PRIORITY: HIV/AIDS

South Asia today accounts for approximately 4.1 million people living with HIV/AIDS. Although the infection rate in the general population is still low, in absolute numbers India has one of the largest HIV-positive populations in the world. Other countries in the region are characterized by a low prevalence among the general population but significantly higher rates among subpopulations engaged in high-risk behaviors.

Recognizing that Sri Lanka and Pakistan have a small window of opportunity to prevent nationwide epidemics, the Bank approved two projects in fiscal 2003 to build on the success of its ongoing program in other South Asian countries. In Sri Lanka the National HIV/AIDS Prevention Project (\$12.6 million) will concentrate on prevention and on reducing stigmatization among vulnerable populations. Pakistan's National HIV/AIDS Prevention Project (\$37.1 million) is designed to prevent HIV from becoming established in vulnerable populations and from spreading to the general adult population, while also avoiding stigmatization.

In addition to lending, the Bank facilitates dialogue among countries in the region to share lessons learned, good practices of intervention, and research strategies. The Bank also supports cross-country collaboration for tackling such issues as migration and human trafficking. The World Bank Institute (WBI) has been

Figure 5.5 South Asia: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$2.9 billion

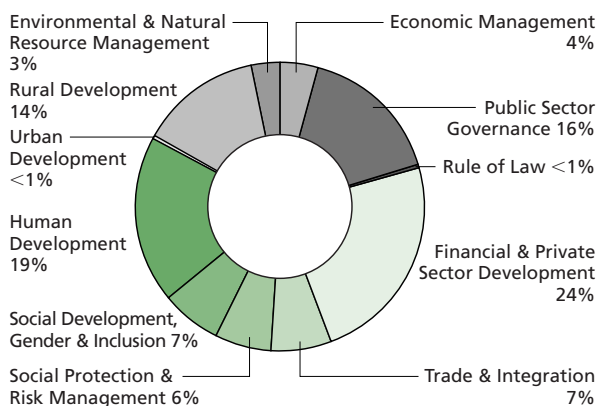


Figure 5.6 South Asia: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$2.9 billion

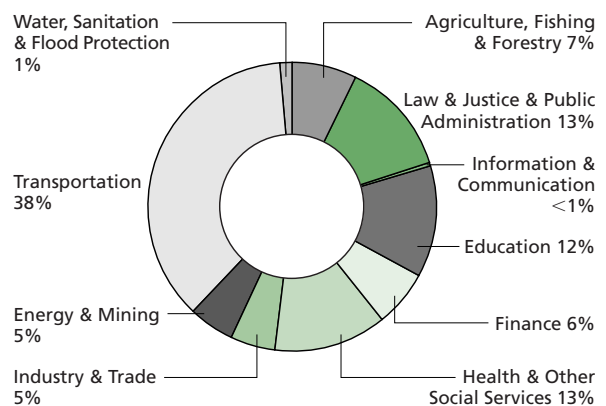


Table 5.3 **World Bank Lending to Borrowers in South Asia, by Theme and Sector, Fiscal 1994–2003**
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	40.1	85.3	35.2	47.4	232.5	123.5
Public Sector Governance	37.3	254.9	212.7	261.0	678.0	467.3
Rule of Law	41.9	89.1	56.5	36.1	59.3	12.5
Financial and Private Sector Development	682.2	639.2	265.4	865.9	381.6	689.1
Trade and Integration	0.0	84.5	29.4	398.3	70.0	197.3
Social Protection and Risk Management	137.4	162.8	168.0	118.4	164.0	184.4
Social Development, Gender, and Inclusion	361.8	328.9	261.5	240.5	414.2	197.3
Human Development	308.1	627.5	276.2	124.8	30.2	546.9
Urban Development	210.6	297.1	300.7	186.8	766.2	2.6
Rural Development	353.0	377.0	426.1	379.5	417.2	403.7
Environmental and Natural Resource Management	407.5	266.8	80.8	587.8	295.2	94.2
Theme Total	2,580.0	3,213.2	2,112.4	3,246.6	3,508.4	2,918.7
SECTOR						
Agriculture, Fishing, and Forestry	298.0	534.4	65.0	116.1	328.1	212.6
Law and Justice and Public Administration	269.4	436.3	407.0	377.4	632.5	372.3
Information and Communication	11.8	35.3	54.6	17.7	12.4	11.5
Education	324.2	385.1	171.4	206.4	95.9	364.6
Finance	239.9	168.2	46.0	209.7	310.0	185.8
Health and Other Social Services	439.2	589.3	393.3	188.1	278.7	369.0
Industry and Trade	121.4	68.3	85.3	34.0	443.1	144.9
Energy and Mining	360.6	545.9	277.8	746.2	504.8	150.6
Transportation	297.6	354.1	590.6	1,294.3	758.1	1,067.6
Water, Sanitation, and Flood Protection	304.9	96.4	21.4	56.8	144.9	40.0
Sector Total	2,580.0	3,213.2	2,112.4	3,246.6	3,508.4	2,918.7
Of which IBRD	961.7	1,034.0	934.3	2,035.0	893.0	836.0
Of which IDA	1,618.2	2,179.2	1,178.1	1,211.6	2,615.4	2,082.7

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding.

providing capacity-building support to the region through face-to-face and distance learning programs. In fiscal 2003 WBI conducted a wide range of learning programs on various topics, including “AIDS and Strategic Communications,” which was a training

course for journalists covering HIV/AIDS in the South Asia region. Other capacity-building activities focused on fiscal decentralization and local governments and on agricultural trade and the World Trade Organization.

Countries Eligible for World Bank Borrowing:

Albania
Armenia
Azerbaijan
Belarus
Bosnia and Herzegovina
Bulgaria
Croatia
Czech Republic
Estonia
Georgia
Hungary
Kazakhstan
Kyrgyz Republic
Latvia
Lithuania
Macedonia, former Yugoslav Republic of
Moldova
Poland
Romania
Russian Federation
Serbia and Montenegro
Slovak Republic
Slovenia
Tajikistan
Turkey
Turkmenistan
Ukraine
Uzbekistan

This section also reports on Kosovo, Serbia and Montenegro.



Europe and Central Asia

The economies of Europe and Central Asia turned in solid growth performances during 2002—4.6 percent for the region overall. Subregional growth varied, with Central and Eastern European countries averaging 2.9 percent and Commonwealth of Independent States countries averaging 4.7 percent. The Turkish economy rebounded from the steep recession of 2001, registering 7.8 percent growth for 2002. Eight of the region's economies recorded growth in excess of 5 percent; only the Kyrgyz Republic suffered a setback (0.5 percent decline in gross domestic product) as a result of temporary declines in gold and power production.

Notwithstanding the recent tendency of the poorer countries of Europe and Central Asia in the Commonwealth of Independent States and South Eastern Europe to grow more quickly than countries in Central and Eastern Europe, vast differences remain in levels of poverty and human development and in the conditions necessary for sustainable growth. Per capita income ranges from \$10,070 in Slovenia to \$200 in Tajikistan, and the extent of poverty runs from more than 50 percent of the population in the poorer countries of the region to low single-digit levels in most countries in Central and Eastern Europe.

Given this diversity the Bank's country assistance programs are being tailored to each subregion, and sector strategies promote subregional cooperation in solving common problems. The Commonwealth of Independent States and South Eastern Europe country programs, where the challenges of poverty reduction are greatest and which account for an increasing share of the

Bank's activity in the Europe and Central Asia region, emphasize institutional development and subregional cooperation in trade and transportation, infrastructure, and environment. Programs for European Union accession countries and other middle-income countries increasingly are focusing on knowledge services and knowledge economy development. In Turkey, which has made considerable progress since the onset of

BOX 5.5 HALF FULL OR HALF EMPTY?

Two recently completed studies underscore both the progress that has been made and the serious development problems that remain in countries in Europe and Central Asia.

The 2002 *Business Environment and Enterprise Performance Survey* (BEEPS) confirmed that there have been significant improvements across the board in the investment climate since 1999. Also, the "bribe tax" as a share of a firm's revenue is decreasing and corruption is seen as less of a burden. Poor countries in the Commonwealth of Independent States and South Eastern Europe are failing to provide basic infrastructure services. And the growth of small and medium enterprises has been stronger in Central and Eastern Europe than in the Commonwealth of Independent States or South Eastern Europe.

Another study of 20 countries in Europe and Central Asia, *Achieving the Human Development MDGs in ECA*, found that many countries there, particularly IDA countries, are unlikely to meet one or more human development MDGs, and that health-related goals (i.e., child mortality, maternal mortality, and HIV/AIDS) are of particular concern.

the financial crisis, the Bank's program underscores the structural changes needed for sustainable growth and macroeconomic stability.

WORLD BANK ASSISTANCE

The World Bank's Europe and Central Asia region operations stress policy reform, institutional development, and the investment needed to underpin sustained growth and poverty reduction. Lending during fiscal 2003 reached \$2.7 billion (\$0.6 billion IDA and \$2.1 billion IBRD), and Global Environment Facility commitments totaled \$27.3 million. In advisory services, 81 analytical reports were delivered, and 63 technical assistance engagements were undertaken regionwide. In addition, the Bank presented to the Board Transitional Support Strategies for Kosovo and Serbia and Montenegro (formerly, the Federal Republic of Yugoslavia); a Country Assistance Strategy (CAS) Progress Report for Bosnia; and Country Assistance Strategies for Azerbaijan, the Kyrgyz Republic, Poland, Tajikistan, and Turkey. Moreover, the Bank developed CASs for Azerbaijan, the Kyrgyz Republic, and Tajikistan in the context of completed Poverty Reduction Strategy Papers (PRSPs).

BUILDING THE CLIMATE FOR INVESTMENT

Recent growth trends suggest that there have been substantial improvements in the investment environment in the region. Recent business survey data confirm that businesses perceive significant improvements. (See box 5.5.) Nonetheless, the data also indicate considerable scope for further improvement. The Bank is thus supporting the reform of policies and the development of institutions to maintain macroeconomic stability, increase trade, strengthen public and private sector governance, reduce corruption, enhance the financial system, and support the physical infrastructure underpinning economic production.

Bank operations address the perverse incentives and weaknesses in institutional capacity that are the root causes of investment climate problems. The Bank is providing support to identify and change policies that invite "investment-unfriendly" behavior, such as multiple tariff rates and complicated customs procedures; and to improve institutional structure and performance, for example, by setting up independent regulatory bodies. To strengthen the effectiveness of the

Europe and Central Asia Fast Facts

Total population: 0.5 billion

Population growth: 0.1%

Life expectancy at birth: 69 years

Infant mortality per 1,000 births: 31

Female youth illiteracy: 1%

2002 GNI per capita: \$2,160

Number of people living with HIV/AIDS: 1.2 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

Total FY03

New Commitments

IBRD \$2,089.2 million

IDA \$580.8 million

Total FY03

Disbursements

IBRD \$1,893 million

IDA \$590.3 million

Portfolio of projects under implementation as of June 30, 2003: \$15.1 billion



An Armenia Social Investment Fund (ASIF) is carrying out some 268 microprojects. Since 1996, just over 600,000 low-income community residents have benefited, via efforts to repair schools, fund hospitals and clinics, and rehabilitate water supply systems.

public sector, the Bank is encouraging citizen participation, transparency, and accountability, and helping improve key public sector functions, such as customs, tax administration, and treasury systems.

EMPOWERING POOR PEOPLE

Although Europe and Central Asia's human development indicators remain impressive, a systematic assessment found that many of the region's poorer IDA countries are unlikely to reach key human development Millennium Development Goals (MDGs; see box 5.5). This situation arises from the deterioration of human development and social assistance programs



In Bosnia and Herzegovina, the 16th-century Old Mostar Bridge, or "Stari Most," is being rebuilt as part of a \$13.5 million Pilot Cultural Heritage Project. This collaborative effort brings together financial and technical support and expertise from the Bank and a number of governments and international organizations.

as a result of poor program design and inadequate financing.

The Bank's operations in human development emphasize incentives to expand access and increase the quality of health and education services. This is done in part by empowering service beneficiaries to demand better access and quality, and by supporting provider efforts to meet this demand. Empowerment is supported through operations that promote decentralization, the reform of financing to link budgets to services provided, the support of inclusive development programming processes, and the increased use of community-driven development approaches to service delivery. On the provider side, operations focus on

reforms in the public sector to balance the roles regarding the provision and financing of primary, secondary, and tertiary services, the modernization of services, the rationalization of staffing, and improved administration. In social protection, Bank operations support the consolidation of programs to bring them into line with overall fiscal constraints; the realignment of public and private sector roles, for example, in pension financing and provision; improved focus on poor people; and improved incentives to work.

GLOBAL PRIORITIES

The Bank's Europe and Central Asia region is focusing activities on a number of global priorities.

Education for All

Only Albania is currently eligible for the Fast-Track Initiative (FTI). The Bank's analysis suggests that eight additional countries may need help in meeting the Education for All goal. Current efforts are geared toward assisting the poorest of these countries, Moldova and Tajikistan, meet criteria for FTI eligibility.

HIV/AIDS

The ECA region has the world's fastest-growing HIV/AIDS epidemic in proportion to its population. In 2002 an estimated 250,000 new infections occurred, bringing to 1.2 million the number of people living with HIV/AIDS in the region. Thirteen countries appear to need priority attention to meet MDGs. Lending commitments were made to Russia and Ukraine, work on a project in Belarus was well advanced, and an IDA grant was made to Moldova. In addition, the Bank started an ECA HIV/AIDS Web site, and applied a demographic-economic model to assess the economic consequences of AIDS in Russia.

Maternal and Child Health

Several clients in Europe and Central Asia, including Albania, Armenia, Kosovo, Moldova, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkey, are priority countries for the maternal and child health MDGs because of deficiencies in their policies or institutions. The Bank is working with these borrowers to help them strengthen maternal and child health programs.

Water Supply and Sanitation

The Bank's Europe and Central Asia region has designated a first set of eight countries to be the focus of an

Figure 5.7 Europe and Central Asia: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$2.7 billion

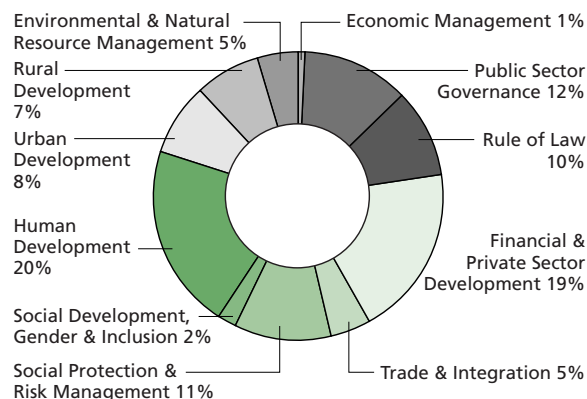
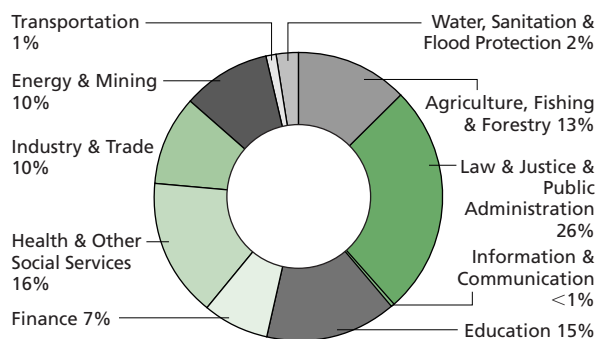


Figure 5.8 Europe and Central Asia: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$2.7 billion



initial set of actions to be taken to meet the MDGs related to water supply and sanitation. These countries were selected because their prospects are good for making significant progress toward meeting the goals over the next three to five years.

Trade

Country analytical support was completed or is under way for Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, Moldova, Russia, and Ukraine, and regional studies were completed for the IDA-eligible countries in the Commonwealth of Independent States and for South Eastern Europe. To strengthen trade administration and promotion the Bank is implementing lending operations in Armenia and South Eastern Europe.

Investment Climate and Finance

Financial Sector Assessment Programs (FSAPs) have been completed in Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, and follow-up technical

assistance activities are under way in several of those countries. The Bank has initiated additional FSAPs in the Kyrgyz Republic, the Russian Federation, and Ukraine. In late 2002 the Bank held a regional conference on anti-money-laundering approaches.

Environmental Sustainability

The Bank supported the region's Environment Minister's Conference held in Kyiv, at which Bank regional strategies for water resources, biodiversity, sustainable development, and attainment of the MDGs were discussed. The Bank provided support to the PRSP process on identifying the links between environment and poverty, and completed pilot analytical work on environmental management expenditures and links between country development strategies and the environment. Projects in the Baltic Sea region, Lithuania, Kazakhstan, and Romania were added to the Bank's Global Environment Facility portfolio, and environmental projects in Croatia, Georgia, Kazakhstan, and Romania were added to the Bank's IBRD/IDA portfolio.

Table 5.4 World Bank Lending to Borrowers in Europe and Central Asia, by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	386.2	723.2	98.6	127.4	636.1	19.5
Public Sector Governance	400.3	547.7	227.8	95.6	1,313.7	319.2
Rule of Law	79.2	80.1	160.2	77.4	106.6	265.5
Financial and Private Sector Development	1,826.3	1,908.0	890.7	1,074.0	2,210.8	512.9
Trade and Integration	259.3	91.6	143.5	138.4	32.5	120.2
Social Protection and Risk Management	248.9	575.6	530.1	381.2	363.9	288.8
Social Development, Gender, and Inclusion	48.1	126.9	43.6	65.1	188.8	55.9
Human Development	211.0	217.6	278.9	51.1	138.3	553.7
Urban Development	301.7	248.9	153.6	383.9	65.4	216.7
Rural Development	231.1	331.5	213.4	137.6	309.9	194.9
Environmental and Natural Resource Management	384.5	404.3	301.7	161.3	157.5	122.7
Theme Total	4,376.7	5,255.1	3,042.2	2,693.1	5,523.6	2,670.0
SECTOR						
Agriculture, Fishing, and Forestry	197.7	114.5	317.8	139.0	470.4	335.4
Law and Justice and Public Administration	863.8	1,568.5	796.4	445.2	2,170.9	697.8
Information and Communication	69.9	4.5	151.9	8.7	9.6	1.0
Education	86.0	299.2	22.7	62.5	83.2	395.0
Finance	525.6	484.0	176.6	803.6	1,295.9	196.8
Health and Other Social Services	304.8	359.7	277.8	281.9	524.7	415.3
Industry and Trade	792.9	817.4	604.7	296.5	552.1	269.0
Energy and Mining	915.2	849.2	398.6	336.6	218.0	262.9
Transportation	518.4	533.1	207.1	118.3	67.1	30.6
Water, Sanitation, and Flood Protection	137.3	225.0	88.5	200.7	131.7	66.3
Sector Total	4,376.7	5,255.1	3,042.2	2,693.1	5,523.6	2,670.0
Of which IBRD	3,949.6	4,406.3	2,733.1	2,154.0	4,894.7	2,089.2
Of which IDA	427.1	848.8	309.1	539.0	628.9	580.8

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding.



Latin America and the Caribbean

After sluggish growth of just 0.4 percent in 2001, gross domestic product (GDP) in the Latin America and the Caribbean region contracted by 0.8 percent in 2002, primarily as a result of deep recessions in Argentina, the República Bolivariana de Venezuela, and Uruguay. As a whole, the other countries of the region grew by 1.6 percent, up slightly from 1.1 percent in 2001.

Argentina experienced a 10.9 percent contraction in 2002 following the abandonment of the convertibility plan, a sharp currency devaluation, default on the public debt, a severe banking and institutional crisis, and lack of consensus on a macroeconomic program. Although there were indications of a recovery in the second half of 2002, the country's crisis hurt exports and tourism in neighboring Bolivia, Paraguay, and Uruguay, and reduced workers' remittances to Bolivia and Paraguay. With Argentina's freeze on deposits, Uruguay's difficulties were compounded by massive withdrawals from Uruguayan banks. All told, Argentina's shocks provoked an economic contraction of almost 11 percent in Uruguay. In Venezuela, meanwhile, a polarized political situation caused a major drop in investment, high capital outflows, and a national strike at the end of 2002, all of which culminated in an 8.9 percent contraction of GDP.

External factors battered all Latin American and Caribbean countries. Despite low interest rates in industrial countries, gross private capital inflows dropped by \$31 billion, down 40 percent from the previous year. Net foreign direct investment fell from \$62 billion in 2001 to \$46 billion in 2002. Sluggish growth in the United States and Europe also depressed demand for exports from Latin

America and the Caribbean, pushing the region's export growth down to 1.2 percent in 2002, from 11.9 percent in 2000. Tourism revenues and worker remittances were also weak.

Despite sound economic fundamentals, uncertainties surrounding elections in Brazil and concerns about debt dynamics, as well as some financial contagion from outside and within the region, lowered investor confidence and slowed capital flows and economic recovery. Nonetheless, the economies of Chile, Colombia, Ecuador, Mexico, Peru, and most Central American and Caribbean countries showed remarkable resilience, despite low commodity prices and higher borrowing costs.

WORLD BANK ASSISTANCE

Increased poverty is the most devastating consequence of the economic shocks countries in the region have sustained. In Brazil, for example, peaks in interest payments on the country's sovereign bonds have coincided, over the last decade, with increases in poverty. Although poverty figures were not available to assess the impact of the regionwide economic contraction in 2002, Argentine analysts estimate that more than half of that country's people were living in poverty—an increase from about a third in the mid-1990s. The World Bank responded to resulting urgent demands for social assistance and financial sector support with \$600 million for an income-transfer program for poor households in Argentina, and two adjustment loans totaling \$303 million to help neighboring Uruguay cope with the crisis. This emergency assistance raised the Bank's total lending to Latin America and the Caribbean to \$5.8 billion in fiscal 2003. In addition to providing loans, the Bank developed revised assistance strategies for Colombia, Ecuador, Guyana, Honduras, Nicaragua,

Countries Eligible for World Bank Borrowing:

Antigua and Barbuda
Argentina
Belize
Bolivia
Brazil
Chile
Colombia
Costa Rica
Dominica
Dominican Republic
Ecuador
El Salvador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
Paraguay
Peru
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Suriname
Trinidad and Tobago
Uruguay
Venezuela, República Bolivariana de

Latin America and the Caribbean Fast Facts

Total population: 0.5 billion
Population growth: 1.5%
Life expectancy at birth: 71 years
Infant mortality per 1,000 births: 28
Female youth illiteracy: 5%
2002 GNI per capita: \$3,280

Number of people living with HIV/AIDS: 1.7 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

**Total FY03
New Commitments**
IBRD \$5,667.8 million
IDA \$152.7 million

**Total FY03
Disbursements**
IBRD \$6,456.2 million
IDA \$322.2 million

Portfolio of projects under implementation as of June 30, 2003: \$19.8 billion



Civil society representatives speak out at a meeting in Esmeraldas, Ecuador, on the Bank-supported Indigenous and Afro-Ecuadorian Peoples' Development Project.

Peru, and the República Bolivariana de Venezuela; progress reports for Jamaica and Uruguay; and a country reengagement note for Haiti, while preparing timely policy notes for newly elected governments in Bolivia, Brazil, Colombia, Ecuador, and Paraguay. These strategies emphasize helping countries build the climate for investment and improve the situation of the poor by investing in their essential water services, health, education, power, and transportation sectors. (See box 5.6.)

BUILDING THE CLIMATE FOR INVESTMENT

In Guatemala a \$150 million financial sector adjustment loan supports an ongoing ambitious reform

program to strengthen the country's financial system, including banking legislation, measures against money laundering, and increased access by the rural and urban poor populations to credit and financial services. The Bank has also provided \$41.3 million for projects to enhance competitiveness in El Salvador, Guatemala, and Nicaragua. It has also provided analytical and advisory support to these countries as well as to Costa Rica and Honduras, as they negotiate a free trade agreement with the United States.

A healthy investment climate is linked to a country's capacity to mobilize skills, technology, and innovation to increase productivity. A Bank study published this year, *Closing the Gap in Education and Technology*, recommends that governments invest in education while they create incentives for increased private investment in research and development. Although secondary school enrollment in Latin America and the Caribbean has doubled since 1970, many secondary school completion rates of countries in the region lag behind those of several other regions and thus create a "knowledge and technology gap." Several Bank loans seek to bridge this gap by increasing access to and quality of education in Brazil, Colombia, the Dominican Republic, Jamaica, Mexico, Nicaragua, and Uruguay.

Effective governance is an important factor in attracting and keeping investors, in addition to its obvious benefits in delivering sound economic management and government services to citizens. The Bank is supporting diverse initiatives in this area, including judicial modernization projects in El Salvador and Honduras; a public sector technical assistance program in Guyana; support for administrative decentralization in Bolivia; and programs to improve municipal management in Brazil, Mexico, and Nicaragua, among others.

ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS

As part of its commitment to help countries achieve the Millennium Development Goals (MDGs), notably reducing child mortality, the Bank is working with governments to expand water and sanitation services to poor people. Clean water is essential for healthy children and adults. Access to an improved water source in Latin America and the Caribbean had reached 85 percent of the population in 2000, but

BOX 5.6 RELIABLE DATA FOR AN EFFECTIVE POVERTY REDUCTION STRATEGY

Effective poverty reduction strategies depend on reliable data about the living conditions of poor people: who they are, where they live, what they do, and what they need. Detailed answers to these questions are essential for directing resources and funding to the best effect, and for designing accurately targeted and inclusive policies and programs.

In 10 countries in the region, *Mejoramiento de las Encuestas de las Condiciones de Vida* (MECOVI) is meeting the need for better statistical data. A program supported by the World Bank, Inter-American Development Bank, and the United Nations Economic Commission for Latin America and the Caribbean, MECOVI

strengthens the capacity of national statistics-gathering bodies. MECOVI provides technical assistance that enables them to undertake household surveys that focus on poverty, gathering information on income, consumption, and access to services. The program has been completed in Guatemala, Paraguay, and Peru, and is under way in seven other countries. It also organizes events to raise awareness and provide training on poverty measurement and survey techniques for all Latin American and Caribbean countries. This training has included efforts to integrate race and ethnicity in data gathering so as to ensure the inclusion of indigenous people and Afro-descendants in policy planning.

some countries remained below the 80 percent level. In its financing and technical assistance in the water sector, the Bank uses a variety of approaches involving both public and private sector investments to expand water and sanitation service to poor people. These approaches include a \$50 million project to expand water service to 1.3 million people in rural Peru, as well as financing to rehabilitate water supply and sanitation networks and wells, promote water conservation, and improve efficiency and service at Lima's public water utility. The project also expanded service to 600,000 previously unserved slum dwellers.

In many countries across the region, achieving the MDGs by 2015 will require new investment in health and basic education as well as infrastructure. Bank support for health care expansion continued in Mexico, building on the success of a project launched in 1996 that had extended basic services to more than 9 million people in remote and indigenous communities, many of whom had never before benefited from health care. Partnerships with governments were also strengthened to prevent HIV/AIDS, with new projects launched in Grenada and in St. Kitts and Nevis, and support continuing for similar programs in Barbados, Brazil, the Dominican Republic, and Jamaica.

The Bank's support for environmental sustainability in Latin America and the Caribbean, which includes more than 80 active projects totaling about



A child receives a checkup in the public hospital in Palacios, Honduras. The Bank is supporting reforms to the country's health system to improve management and delivery of services to poor communities, so as to reduce the country's maternal, infant, and child mortality rates and to fight HIV/AIDS.

\$2.3 billion, was highlighted in November 2002 when Bank President James D. Wolfensohn met with Amazon leaders in Belém, Brazil, to discuss the country's strategy for sustainable management of the Amazon region. The Bank supported the strategy by coordinating the Pilot Program to Conserve the Brazilian Rainforest, a partnership funded with

Figure 5.9 Latin America and the Caribbean: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$5.8 billion

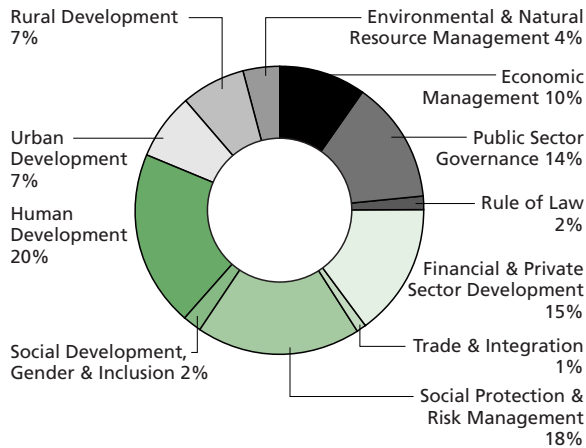
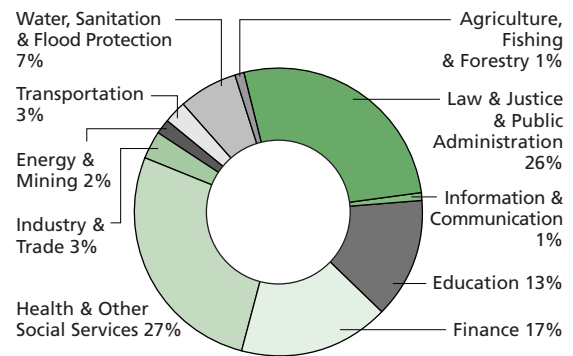


Figure 5.10 Latin America and the Caribbean: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$5.8 billion



\$340 million from Brazil, the European Union, the Group of Seven industrialized countries, and the Netherlands.

A similar biodiversity conservation effort is under way in Mexico and Central America, where the Bank is working with seven countries to protect the Meso-American Biological Corridor, a regional system of

natural areas, buffer zones, and connectors that is home to nearly 24,000 species of flora and over 500 species of mammals. In December 2002 the Corridor's host governments, donors, and partners agreed on a business plan that identifies another \$70 million in projects, in addition to the \$400 million already pledged.

Table 5.5 World Bank Lending to Borrowers in Latin America and the Caribbean, by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	359.9	694.0	587.6	570.1	391.0	567.2
Public Sector Governance	516.1	825.2	519.9	1,099.7	1,182.8	798.6
Rule of Law	70.1	94.1	111.7	202.2	15.5	88.8
Financial and Private Sector Development	1,115.0	1,626.9	1,056.1	985.4	965.4	864.8
Trade and Integration	119.2	144.6	160.7	218.3	83.9	64.6
Social Protection and Risk Management	453.3	1,002.4	901.2	530.0	310.4	1,071.3
Social Development, Gender, and Inclusion	259.8	359.1	141.5	371.7	248.9	123.1
Human Development	617.9	786.9	157.7	471.2	560.4	1,150.7
Urban Development	507.6	576.9	53.3	202.0	251.9	435.2
Rural Development	442.4	613.3	103.0	580.8	168.3	415.9
Environmental and Natural Resource Management	490.7	164.8	270.8	68.8	187.4	240.3
Theme Total	4,951.8	6,888.3	4,063.5	5,300.1	4,365.8	5,820.5
SECTOR						
Agriculture, Fishing, and Forestry	253.0	326.4	104.1	72.3	85.0	58.4
Law and Justice and Public Administration	1,018.3	2,208.9	1,787.8	1,722.9	1,299.5	1,556.9
Information and Communication	16.9	17.2	28.7	97.8	16.5	52.4
Education	631.8	659.8	62.8	529.1	560.4	785.5
Finance	747.7	1,089.5	1,195.1	950.5	734.1	981.0
Health and Other Social Services	550.9	1,150.5	360.2	904.7	660.5	1,574.1
Industry and Trade	83.7	204.2	165.3	38.3	51.4	183.4
Energy and Mining	184.9	98.1	79.3	107.6	445.6	96.2
Transportation	872.9	875.6	11.6	650.3	463.1	146.4
Water, Sanitation, and Flood Protection	595.9	258.0	268.7	226.6	49.8	386.2
Sector Total	4,951.8	6,888.3	4,063.5	5,300.1	4,365.8	5,820.5
Of which IBRD	4,658.6	6,406.4	3,898.1	4,806.7	4,188.1	5,667.8
Of which IDA	293.2	481.9	165.4	493.4	177.8	152.7

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding. In fiscal 2003 under the Multicountry HIV/AIDS Prevention and Control Adaptable Program Lending (APL) for the Caribbean region, the Bank approved three operations (Grenada, St. Kitts and Nevis, Trinidad and Tobago) totaling \$30.1 million in new commitments.



Countries Eligible for World Bank Borrowing:

Algeria
Djibouti
Egypt, Arab Republic of
Iran, Islamic Republic of
Iraq
Jordan
Lebanon
Morocco
Syrian Arab Republic
Tunisia
Yemen, Republic of

This section also reports on the West Bank and Gaza.

Middle East and North Africa

Uncertainty stemming from the war in Iraq as well as the ongoing Israeli-Palestinian crisis served to deepen the economic downturn in the Middle East and North Africa region in calendar year 2002. Economic growth for the region fell from 3.2 percent in 2001 to 3.1 percent in 2002, with continuing declines in investor confidence, export market growth, and tourism.

Despite the economic and social reforms embraced by several countries in the region, it continues to suffer from many of the same problems that have hindered growth since the 1980s. The private sector—key to job creation—remains underdeveloped and has yet to emerge as an engine for growth in the region. Inadequate financial systems and governance structures continue to stall expansion of the private sector, thus limiting the participation of private businesses in the economy. And the impact of the region's legacy of conflicts has stretched throughout the region, effectively diverting resources and hampering the potential to attract foreign investors.

Today the biggest economic and social challenge facing the majority of countries in the region is unemployment, which ranges from less than 5 percent in economies of the Gulf Cooperation Council to approximately 30 percent in countries such as Algeria and Yemen. In West Bank and Gaza unemployment is more than 50 percent. At the regional level the unemployment rate averages 15 percent, and jobless rates among youth are twice the regional average in some countries. As the labor force grows, the region will need to create about 4 million jobs a

year to accommodate new entrants into the labor market.

WORLD BANK ASSISTANCE

The World Bank's overriding goals in the Middle East and North Africa region continue to revolve around building a favorable investment climate and restoring sufficient confidence in the region to create jobs and empower poor people with knowledge and skills that enable them to build sustainable livelihoods. To achieve these goals the Bank's regional strategy addresses five common challenges faced by countries in the Middle East and North Africa: public sector efficiency and governance, private sector development and employment creation, education for living in a global economy, water management in a water-stressed region, and gender equality. In fiscal 2003 lending totaled \$1.1 billion in 9 countries for 19 projects that supported reform and investments in the public and private sectors, education, water supply and natural resource management, agriculture, and infrastructure.

In response to the region's growing interest in sustained engagement in policy reforms, the Bank continued to share knowledge and advice through programmatic economic and sector work, offering a series of analytical, advisory, and learning activities. In Morocco, for example, the Bank helped the government develop a public expenditure review that links expenditures to results achieved in the country, starting with health. The Bank is also delivering advice on pension reform in Egypt, Iran, Jordan, Lebanon, and West Bank and Gaza. At the regional level the Bank sponsored the Mediterranean Development Forum in Amman and the Knowledge for Development Conference in Marseilles. These

Middle East and North Africa Fast Facts

Total population: 0.3 billion
 Population growth: 2.0%
 Life expectancy at birth: 68 years
 Infant mortality per 1,000 births: 44
 Female youth illiteracy: 26%
 2002 GNI per capita: \$2,070

Number of people living with HIV/AIDS: 0.07 million

Note: Life expectancy at birth, infant mortality rate per 1,000 births, and female youth illiteracy are for 2001, other indicators are for 2002, from the World Development Indicators database. The term gross national income (GNI) is now used instead of gross national product (GNP).

**Total FY03
 New Commitments**
 IBRD \$855.6 million
 IDA \$200.4 million

**Total FY03
 Disbursements**
 IBRD \$513.6 million
 IDA \$152.7 million

Portfolio of projects under implementation as of June 30, 2003: \$4.8 billion



In Morocco, a rural water supply and sanitation project brings drinking water and reduces household chores.

forums proved effective in engaging civil society groups, initiating dialogue, and focusing governments' attention on such issues as gender, HIV/AIDS, and governance. In addition, the Regional Water Initiative continued to promote dialogue among governments to improve the management of water—a critical issue in a water-distressed region such as the Middle East and North Africa.

Knowledge sharing has been at the core of the Bank's development assistance to Gulf countries for many years now. The Reimbursable Technical Assistance Program extends technical and policy advice on a reimbursable basis to countries whose high levels of income make them ineligible for lending. The technical cooperation program with Saudi Arabia, which spans more than two decades and is the largest to date, emphasizes private sector investment, infrastructure reform, water strategy, and long-term economic planning. In Kuwait the program supported the government's reform efforts in private sector participation and investment, infrastructure, fiscal policies, and human development. This year the Bank signed the first multiyear technical assistance program with Kuwait for the 2004–05 period, which includes the assignment of a long-term adviser to the Ministry of Finance.

The ongoing conflict in the West Bank and Gaza and the continued deterioration of socio-economic conditions led the Bank to expand its support for emergency social and municipal services to Palestinians. Two emergency services support projects provide critical support for the health and education sectors. The Bank plays an important role in coordinating bilateral and multilateral aid to the Palestinian Authority. At the request of the donor community, the Bank produced its second emergency assessment of the economic crisis and disbursed \$55 million in trust funds to much-needed social services, despite difficult circumstances there.

After a seven-year hiatus and at the request of the Government of Iran, the Bank formulated an Interim Assistance Strategy that focuses on policy dialogue and support for reforms through nonlending as well as lending activities in targeted sectors such as water, sewerage, low-income housing, and the environment. In fiscal 2003 two projects were approved—one was aimed at reducing the impact of water and air pollution in major cities, and the other at relieving

social and economic hardships caused by two devastating earthquakes last year.

In line with the United Nations Security Council Resolution, the Bank is undertaking a range of activities in support of Iraq's reconstruction and long-term development. Work is under way to prepare a needs assessment in coordination with a number of bilateral and multilateral organizations, such as the United Nations, the Islamic Development Bank, and the European Union, among others. A team of World Bank and international experts has been assessing the most pressing needs for the reconstruction of Iraq, mainly in the areas of health,

BOX 5.7 LITERACY THROUGH POETRY

"Wealth does not come to the one who sits, except for those who own shops or who studied in schools" croons a Yemeni woman who learned to write poetry through an innovative pilot project that draws upon the Republic of Yemen's rich oral traditions to teach literacy.

With only a quarter of its adult females literate, Yemen faces a big challenge in narrowing the gender gap in education and achieving the Millennium Development Goal of promoting gender equality by 2015.

In partnership with Yemen's Ministry of Education, the World Bank-funded project responds to the needs of women who want to learn to read and write simple letters and documents, short Quranic verses, road signs, or instructions on food and pesticide containers.

About 100 rural women learned to read by creating and sharing poetry with other women in their communities. The project has attracted interest from other donors and received support through Yemen's Social Fund for Development for continuing and expanding the literacy program.

education, power, agriculture, water, and economic management.

BUILDING THE CLIMATE FOR INVESTMENT

Creating a business-friendly environment remains an important priority for the Bank in the Middle East and North Africa, where geopolitics pose an added challenge to attracting investors. Investment climate assessments conducted in Algeria and Morocco revealed the obstacles faced by investors. Among the key constraints identified are administrative bottlenecks, limited access to credit and industrial land, and human resource constraints, all of which ultimately undermine the competitiveness of the countries' private sector. The Bank has initiated similar assessments for Iran, Oman, and Syria. This year the World Bank Group also organized a consultation tour, stopping in Jordan, Lebanon, and Syria to engage local businesses in active dialogue about boosting trade and investment. In North Africa the SMExchange Program is promoting partnerships between private businesses on both sides of the Mediterranean Sea. A joint Bank-IFC initiative is complementing these efforts through programs that

deliver improved business services, such as introducing new credit instruments, streamlining registration and licensing procedures, and helping business associations improve the quality of services they provide to their members.

Public sector efficiency is critical in paving the way for a healthy investment climate. In Tunisia, where urbanization is placing increased pressure on municipalities to maintain basic services and infrastructure, the Bank is helping local authorities better deliver and manage public services through training, computerization of tax management, and reforms in working procedures. A policy-based loan is supporting Jordan through its second year of wide-ranging reforms to make the public sector more service-friendly and to improve budgetary and financial management and judicial reforms.

EMPOWERING POOR PEOPLE

With about 23 percent of the 300 million people in the Middle East and North Africa living on less than \$2 a day, empowering poor people constitutes an important strategy for fighting poverty. Through a combination of analytical, advisory, and lending services, the Bank aims to provide poor people with the necessary skills, resources, and infrastructure to improve the quality of their lives. A rural employment project in Algeria created jobs by engaging poor people in labor-intensive work, such as reforestation and flood control structures, and by financing fruit tree plantations and vineyards with farmers' participation. The results led policymakers to adopt similar approaches in their rural development programs.

In Morocco a rural water supply and sanitation project increased the safe, potable water supply to 300,000 rural dwellers and lowered by about a quarter the incidence of diarrhea in children. Children who traveled long distances to fetch water had more time to dedicate to schooling: primary school attendance for girls and boys rose by 70 percent and 40 percent, respectively.

Although the civil society movement is still nascent in the region, the Bank is giving voice to poor people by engaging grassroots organizations in the preparation of the PRSP in the Republic of Yemen. Following extensive consultations with civil society groups, Yemen's first PRSP proposes a long-term framework for fighting poverty based on high economic growth, human resources development, upgraded

infrastructure, improved access to social services, and enhanced social safety nets. (See box 5.7.)

GLOBAL PRIORITIES

The Middle East and North Africa region focused activities on the following global priorities during this fiscal year.

Maternal and Child Health

With children and youth constituting more than half of the population in the Middle East and North Africa region, they are among the most vulnerable segments of society during times of economic stress and political conflict. In coordination with the United Nations Children’s Fund (UNICEF) and other partners, the Bank is conducting situation analyses and supporting community-based projects to deliver services for children. In Jordan the Bank is supporting a mentoring program to help at-risk children integrate into their communities. In Egypt the Bank is working with local organizations to protect and provide solutions for child workers, such as including them in the formal education system or developing informal alternative education for them. In November 2002 a conference on “Children and the Cities” gathered some 80 mayors from around the Arab world to address the rapid growth of cities and the plight of children who live in crowded quarters.

Supporting Trade and Integration

With relatively low levels of exports and foreign direct investments, the prospects for stimulating growth



A Yemeni farmer working on irrigation channels in his farm along the Sana’a-Taiz highway. Poverty in Yemen is a predominantly rural phenomenon, posing a critical challenge for overcoming the urban-rural gap. Sustainable and efficient management of scarce water resources provides a means to boost agricultural productivity and improve the quality of life for the poor in Yemen.

through greater openness and engagement with the world economy present much potential for the region. In preparation for the 2003 Joint World Bank–International Monetary Fund Annual Meetings in Dubai and as part of its economic and sector work, the Bank completed a study on trade and investment climates in the region, offering policy advice on achieving faster growth, creating more jobs, improving productivity, and reducing poverty through trade and integration.

Figure 5.11 Middle East and North Africa: IBRD and IDA Lending by Theme, Fiscal 2003
Share of total of \$1.1 billion

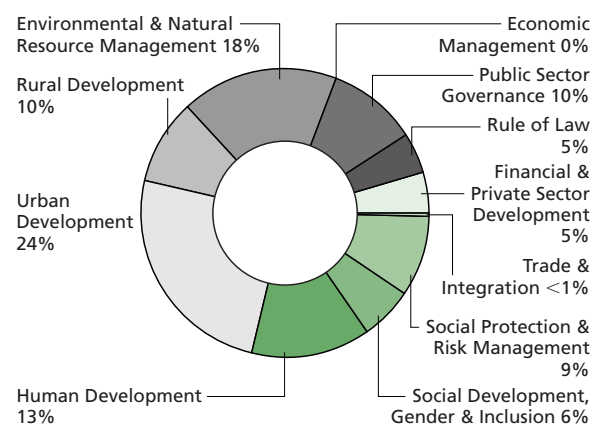


Figure 5.12 Middle East and North Africa: IBRD and IDA Lending by Sector, Fiscal 2003
Share of total of \$1.1 billion

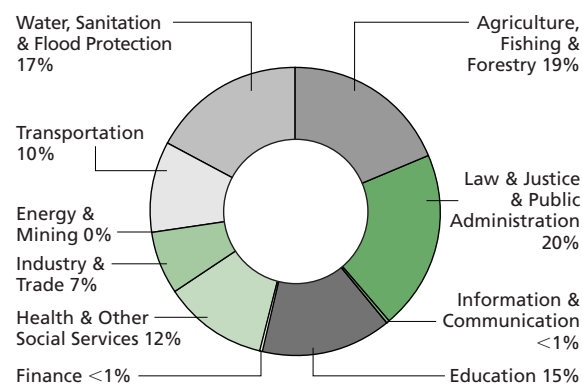


Table 5.6 World Bank Lending to Borrowers in Middle East and North Africa, by Theme and Sector, Fiscal 1994–2003
(millions of dollars)

	1994–97 (annual average)	1998–99 (annual average)	2000	2001	2002	2003
THEME						
Economic Management	50.5	5.2	0.0	11.9	5.0	0.0
Public Sector Governance	95.6	89.8	130.6	102.6	93.3	106.6
Rule of Law	40.3	59.5	9.3	56.5	49.1	48.0
Financial and Private Sector Development	345.8	361.1	61.8	78.8	204.1	48.3
Trade and Integration	34.6	38.8	3.0	3.4	24.8	3.6
Social Protection and Risk Management	65.3	87.4	100.0	5.6	11.0	96.1
Social Development, Gender, and Inclusion	69.9	64.5	71.6	52.5	13.4	63.1
Human Development	76.3	179.0	187.9	35.7	61.9	140.9
Urban Development	82.5	125.9	143.5	46.7	55.8	262.7
Rural Development	183.9	175.3	89.2	86.4	14.5	100.6
Environmental and Natural Resource Management	145.4	94.2	123.3	27.5	21.7	186.0
Theme Total	1,161.5	1,280.8	920.0	507.5	554.5	1,056.0
SECTOR						
Agriculture, Fishing, and Forestry	203.4	147.9	120.6	46.5	2.9	196.7
Law and Justice and Public Administration	131.7	236.0	108.9	161.5	74.7	213.6
Information and Communication	11.9	33.8	1.3	59.2	69.9	2.3
Education	94.6	94.2	197.1	72.3	38.0	154.3
Finance	181.5	190.8	5.3	0.0	110.5	1.9
Health and Other Social Services	77.1	159.8	158.9	39.3	41.7	124.2
Industry and Trade	146.5	168.6	47.9	27.0	71.7	74.3
Energy and Mining	45.9	56.8	0.0	0.0	1.3	0.0
Transportation	117.7	81.7	59.6	82.8	70.9	107.9
Water, Sanitation, and Flood Protection	168.6	110.9	220.5	19.0	73.1	180.9
Sector Total	1,161.5	1,280.8	920.0	507.5	554.5	1,056.0
Of which IBRD	1,005.6	955.5	760.2	355.2	451.8	855.6
Of which IDA	155.9	325.3	159.8	152.3	102.7	200.4

Note: Lending is summarized in the 11 main theme categories and 10 main sector categories in the new thematic-sectoral system, which includes 68 themes and 57 sectors. See table 2.2, page 35. Numbers may not add to totals because of rounding. Fiscal 2003 lending numbers in this table do not include Special Financing for two projects in the West Bank and Gaza, for a total of \$45 million.



Chapter 6

Tables

TABLE 6.1 Country Eligibility for Borrowing from the World Bank	136
TABLE 6.2 World Bank Commitments, Disbursements, and Net Transfers in Africa, Fiscal 2002–2003	138
TABLE 6.3 World Bank Commitments, Disbursements, and Net Transfers in East Asia and Pacific, Fiscal 2002–2003	138
TABLE 6.4 World Bank Commitments, Disbursements, and Net Transfers in South Asia, Fiscal 2002–2003	139
TABLE 6.5 World Bank Commitments, Disbursements, and Net Transfers in Europe and Central Asia, Fiscal 2002–2003	139
TABLE 6.6 World Bank Commitments, Disbursements, and Net Transfers in Latin America and the Caribbean, Fiscal 2002–2003	140
TABLE 6.7 World Bank Commitments, Disbursements, and Net Transfers in Middle East and North Africa, Fiscal 2002–2003	140
TABLE 6.8 Summaries of Operations Approved during Fiscal 2003, Africa	141
TABLE 6.9 Summaries of Operations Approved during Fiscal 2003, East Asia and Pacific	150
TABLE 6.10 Summaries of Operations Approved during Fiscal 2003, South Asia	154
TABLE 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia	159
TABLE 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean	168
TABLE 6.13 Summaries of Operations Approved during Fiscal 2003, Middle East and North Africa	175
TABLE 6.14 World Bank Adjustment Operations, Fiscal 2003	178

About the World Bank

Organizational Information	
Governors and Alternates	120
Executive Directors and Alternates and Their Voting Power	124
Officers	126
Office Locations	127
About the Staff of the World Bank	135

Governors and Alternates

June 30, 2003

Member	Governor	Alternate
Afghanistan	Ashraf Ghani	Anwar Ul-Haq Ahady
Albania	Kastriot Islami	Fatos Ibrahim
Algeria	Abdellatif Benachou	Abdelhak Bedjaoui
Angola	Ana Dias Lourenco	Job Graca
Antigua and Barbuda +	Lester B. Bird	Asot A. Michael
Argentina	Roberto Lavagna	Alfonso de Prat-Gay
Armenia	Vahram Nercissiantz	Karen Chshmarityan
Australia	Peter Costello	Chris Gallus
Austria	Karl-Heinz Grasser	Thomas Wieser
Azerbaijan	Elman Siradjogly Rustamov	Farhad Aliyev
Bahamas, The +	James H. Smith	Ruth R. Millar
Bahrain +	Abdulla Hassan Saif	Zakaria Ahmed Hejres
Bangladesh	M. Saifur Rahman	Mirza Tasadduq Hussain Beg
Barbados	Owen S. Arthur	Grantley W. Smith
Belarus +	Andrei V. Kobaykov	Anatoly I. Sverzh
Belgium	Didier Reynders	Guy Quaden
Belize	Said W. Musa	Sydney J. Campbell
Benin	Bruno Amoussou	Lazare Sehoueto
Bhutan	Yeshey Zimba	(vacant)
Bolivia	Javier Comboni Salinas	Roberto Camacho
Bosnia and Herzegovina	Adnan Terzic	Mila Gadzic
Botswana	Baledzi Gaolathe	Serwalo S.G. Tumelo
Brazil	Antonio Palocci Filho	Henrique de Campos Meirelles
Brunei Darussalam +	Haji Hassanal Bolkiah	Yakub Abu Bakar
Bulgaria +	Milen Veltchev	Bojidar Lubenov Kabaktchiev
Burkina Faso	Jean Baptiste Compaore	Etienne Yameogo
Burundi	Athanase Gahungu	Dieudonne Nintunze
Cambodia	Keat Chhon	Ouk Rabun
Cameroon	Martin Okouda	Daniel Njankouo Lamere
Canada	John Manley	Leonard M. Good
Cape Verde	Carlos Augusto Duarte Burgo	Victor A.G. Fidalgo
Central African Republic	Alexis Ngomba	Clement Eregani
Chad	Djimrangar Dagnadji	Mahamat Ali Hassan
Chile	Nicolas Eyzaguirre	Mario Marcel
China	Jin Renqing	Jin Liqun
Colombia	Alberto Carrasquilla	Santiago Montenegro Trujillo
Comoros	Younoussa Imani	Moindjie Saadi
Congo, Democratic Republic of	Andre-Philippe Futa	Jean-Claude Masangu Mulongo
Congo, Republic of	Rigobert Roger Andely	Pierre Moussa
Costa Rica	Alberto Dent Zeledon	Francisco de Paula Gutierrez
Côte d'Ivoire	Bohoun Bouabre	Boniface Britto
Croatia	Mato Crkvenac	Josip Kulisic
Cyprus	Markos Kyprianou	Christos Patsalides
Czech Republic	Bohuslav Sobotka	Oldrich Dedek
Denmark	Per Stig Moller	Carsten Staur
Djibouti	Yacin Elmi Bouh	Simon Mibrathu
Dominica	Swinburne Lestrade	Ambrose M.J. Sylvester
Dominican Republic	Jose Lois Malkun	Felix Calvo
Ecuador	Mauricio Pozo Crespo	Gilberto Pazmino Arias
Egypt, Arab Republic of	Medhat Hassanein	Faiza Abulnaga

Member	Governor	Alternate
El Salvador	Juan Jose Daboub	Luz Maria Serpas de Portillo
Equatorial Guinea	Antonio Nve Nseng	Miguel Edjang Angue
Eritrea	Berhane Abrehe	Martha Woldegiorghis
Estonia +	Tonis Palts	Renaldo Mandmets
Ethiopia	Sufian Ahmed	Mekonnen Manyazewal
Fiji	Jone Yavala Kubuabola	Tevita Banuve
Finland	Antti Kalliomaki	Paula Lehtomaki
France	Francis Mer	Jean-Pierre Jouyet
Gabon	Casimir Oye-Mba	Christian Bongo
Gambia, The	Famara L. Jatta	Dodou B. Jagne
Georgia	Mirian Gogiashvili	Giorgi Gachechiladze
Germany	Heidemarie Wiczorek-Zeul	Caio K. Koch-Weser
Ghana	Yaw Osafo-Mafo	Grace Coleman
Greece	Nikolaos Christodoulakis	Vasilis Rapanos
Grenada	Anthony Boatswain	Timothy Antoine
Guatemala	Eduardo Humberto Weymann Fuentes	Lizardo Arturo Sosa Lopez
Guinea	Cheick Ahmadou Camara	Cellou Dalein Diallo
Guinea-Bissau	Rui Duarte Barros	Verissimo Paulino Nancassa
Guyana	Bharrat Jagdeo	Saisnarine Kowlessar
Haiti	Faubert Gustave	Venel Joseph
Honduras	Arturo Alvarado	Maria Elena Mondragon de Villar
Hungary	Csaba Laszlo	Jozsef Thuma
Iceland	Halldor Asgrimsson	Geir Hilmar Haarde
India	Jaswant Singh	Subbaraman Narayan
Indonesia	Boediono	Hartadi A. Sarwono
Iran, Islamic Republic of	Thamaseb Mazaheri-Khorzani	Mohammad Khazaee Torshizi
Iraq	Issam Rashid Hwaish	Hashim Ali Obaid
Ireland	Charlie McCreevy	Tom Considine
Israel	David Klein	Ohad Marani
Italy	Antonio Fazio	Lorenzo Bini Smaghi
Jamaica +	Omar Lloyd Davies	Wesley George Hughes
Japan	Masajuro Shiokawa	Toshihiko Fukui
Jordan	Bassem I. Awadallah	Hala Bsaiso Lattouf
Kazakhstan	Alexander Sergeevich Pavlov	Kayrat N. Kelimbetov
Kenya	David Mwiraria	Joseph Mbui Magari
Kiribati	Beniamina Tinga	Tebwe Ietaake
Korea, Republic of	Jin-Pyo Kim	Seung Park
Kuwait	Mohammad Sabah AlSalem AlSabah	Bader Meshari Al-Humaidhi
Kyrgyz Republic	Bolot Abildaev	Kubat Abduldaevich Kanimetov
Lao People's Democratic Republic	Chansy Phosikham	Phouphet Khamphounvong
Latvia	Valdis Dombrovskis	Aigars Kalvitis
Lebanon	Fuad A.B. Siniora	Marwan Hemadeh
Lesotho	M.C. Mphutlane	T.J. Ramotsoari
Liberia	Roland Massaquoi	Charles R. Bright
Libya	Alojeli Abdel Salam Breeni	Ali Ramadan Shnebsb
Lithuania +	Dalia Grybauskaite	Arvydas Kregzde
Luxembourg	Luc Frieden	Jean Guill
Macedonia, former Yugoslav Republic of	Petar Gosev	Dimko Kokarowski
Madagascar	Zaza Manitrana Ramandimbarison	Davida Rajaon

(continued next page)

Governors and Alternates (continued)

Member	Governor	Alternate
Malawi	Friday Jumbe	Bingu wa Mutharika
Malaysia	Mahathir Mohamad	Samsudin Hitam
Maldives	Fathulla Jameel	Adam Maniku
Mali	Bassary Toure	Marimantia Diarra
Malta +	John Dalli	Joseph Scicluna
Marshall Islands	Brenson S. Wase	Smith Michael
Mauritania	Abdellahi Ould Cheikh-Sidia	Mohamed Ould El Abed
Mauritius	Khushhal Chand Khushiram	Ayub Hussein Nakhuda
Mexico	Francisco Gil Diaz	Agustin Carstens
Micronesia, Federated States of	John Ehsa	Sebastian L. Anefal
Moldova	Zinaida Grecianii	Dumitru Ursu
Mongolia	Chultem Ulaan	Ochirbat Chuluunbat
Morocco	Fathallah Oualalou	Abderrazak El Mossadeq
Mozambique	Adriano Afonso Maleiane	Manuel Chang
Myanmar	Hla Tun	Than Nwe
Namibia +	Immanuel Ngatjizeko	Carl-Hermann G. Schlettwein
Nepal	Prakash Chandra Lohani	Bhanu Prasad Acharya
Netherlands	Hans Hoogervorst	Agnes Van Ardenne
New Zealand	Michael Cullen	John Whitehead
Nicaragua	Eduardo Montealegre Rivas	Mario Alonso Icabalceta
Niger	Ali Badjo Gamatie	Maliki Barhouni
Nigeria	Adamu Ciroma	Thelma Amata Iremiren
Norway	Hilde Frafjord Johnson	Olav Kjørven
Oman	Ahmed Bin Abdunabi Macki	Mohammed bin Nasser Al-Khasibi
Pakistan	Shaukat Aziz	Waqar Masood Khan
Palau	Casmir Remengesau	Lawrence Alan Goddard
Panama	Norberto Delgado Duran	Domingo Latorraca
Papua New Guinea	Bart Philemon	Koiari Tarata
Paraguay	Alcides Jimenez Q.	Jose Ernesto Buttner
Peru	Javier Silva Ruete	Richard Webb
Philippines	Jose Isidro N. Camacho	Rafael B. Buenaventura
Poland	Leszek Balcerowicz	Andrzej S. Bratkowski
Portugal	Manuela Ferreira Leite	Francisco Esteves de Carvalho
Qatar +	Yousef Hussain Kamal	Abdullah Bin Khalid Al-Attiyah
Romania +	Mihai Nicolae Tanasescu	Emil Iota Ghizari
Russian Federation	Victor Khristenko	German O. Gref
Rwanda	Donald Kaberuka	Celestin Kabanda
St. Kitts and Nevis	Denzil Douglas	Wendell Everton Lawrence
St. Lucia	Kenny D. Anthony	Trevor Brathwaite
St. Vincent and the Grenadines	Ralph E. Gonsalves	Laura Anthony-Browne
Samoa	Misa Telefoni Retzlaff	Hinauri Petana
San Marino +	Maurizio Rattini	Loris Francini
São Tomé and Príncipe	Maria dos Santos Tebus Torres	Genoveva Costa
Saudi Arabia	Ibrahim A. Al-Assaf	Hamad Al-Sayari
Senegal	Abdoulaye Diop	Cheikh Hadjibou Soumare
Serbia and Montenegro	Miroslav Ivanisevic	Bozidar Djelic
Seychelles +	Jeremie Bonnelame	Alain Butler-Payette
Sierra Leone	Joseph B. Dauda	Samura Kamara
Singapore	Lee Hsien Loong	Lim Siong Guan
Slovak Republic	Ivan Miklos	Elena Kohutikova

Member	Governor	Alternate
Slovenia	Dusan Mramor	Irena Sodin
Solomon Islands	Snyder Rini	Shadrach Fanega
Somalia	(vacant)	(vacant)
South Africa	Trevor Andrew Manuel	Mandisi Bongani Mpahlwa
Spain	Rodrigo de Rato Figaredo	Juan Costa Climent
Sri Lanka	Kairshasp Nariman Choksy	Charitha Ratwatte
Sudan	El Zubair Ahmed El Hassan	Sabana Ibrahim Jambo
Suriname +	Humphrey S. Hildenberg	Stanley B. Ramsaran
Swaziland	Guduza Dlamini	Musa D. Fakudze
Sweden	Gunnar Lund	Jan O. Karlsson
Switzerland	Joseph Deiss	Micheline Calmy-Rey
Syrian Arab Republic	Ghassan El-Rifai	Mohamad Bittar
Tajikistan	Safarali Najmuddinov	Akram Suleymanov
Tanzania	Abdallah Omar Kigoda	Gray S. Mgonja
Thailand	Suchart Jaovisidha	Somchainuk Engtrakul
Timor-Leste	Maria Madalena Brites Boavida	Aicha Bassarewan
Togo	M'Ba Legzim	Mewunesso Baliki Pini
Tonga	Siosua T.T. ʻUtoikamanu	ʻAisake V. Eke
Trinidad and Tobago	Patrick Manning	Conrad Enill
Tunisia	Mohamed Nouri Jouini	Abdelhamid Triki
Turkey	Ibrahim H. Canakci	Aydin Karaoz
Turkmenistan +	Ymamurdy Gandymov	(vacant)
Uganda	Gerald M. Ssendaula	C. M. Kassami
Ukraine +	Mykola Azarov	Valeriy Khoroshkovskiy
United Arab Emirates	Hamdan bin Rashid Al-Maktoum	Mohammed Khalfan Bin Khirbash
United Kingdom	Valerie Amos	Gordon Brown
United States	John W. Snow	Alan P. Larson
Uruguay +	Ariel Davrieux	Isaac Alfie
Uzbekistan	Rustam S. Azimov	(vacant)
Vanuatu	Sela Molisa	Jeffery Wilfred
Venezuela, República Bolivariana de +	Jorge Giordani	Tobias Nobrega Suarez
Vietnam	Le Duc Thuy	Phung Khac Ke
Yemen, Republic of	Ahmed Mohamed Sofan	Anwar Rizq Al-Harazi
Zambia	David S. Diangamo	Mukuka L.N. Zimba
Zimbabwe	Herbert M. Murerwa	Leonard Ladislas Tumba

+ Not a member of IDA

Executive Directors and Alternates and Their Voting Power June 30, 2003

Executive Director	Alternate	Casting votes of	IBRD		IDA	
			Total votes	Percent of total	Total votes	Percent of total
Appointed						
Carole Brookins	Robert B. Holland, III	United States	265,219	16.41	1,913,640	13.91
Yuzo Harada	Masanori Yoshida ^b	Japan	127,250	7.87	1,502,886	10.92
Eckhard Deutscher	Eckhardt Biskup	Germany	72,649	4.49	966,302	7.02
Tom Scholar	Rosemary B. Stevenson	United Kingdom	69,647	4.31	688,291	5.00
Pierre Duquesne	Emmanuel Moulin ^c	France	69,647	4.31	596,483	4.34
Elected						
Kurt Bayer (Austria)	Gino Alzetta (Belgium)	Austria, Belarus, ^a Belgium, Czech Republic, Hungary, Kazakhstan, Luxembourg, Slovak Republic, Slovenia, Turkey	77,669	4.80	611,808	4.45
Per Kurowski (Rep. Bol. de Venezuela)	Maria Jesus Fernandez (Spain)	Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, Venezuela (República Bolivariana de) ^a	72,786	4.50	297,725	2.16
Ad Melkert (Netherlands)	Tamara Solyanyk (Ukraine)	Armenia, Bosnia and Herzegovina, Bulgaria, ^a Croatia, Cyprus, Georgia, Israel, Macedonia (former Yugoslav Republic of), Moldova, Netherlands, Romania, ^a Ukraine ^a	72,208	4.47	500,327	3.64
Marcel Masse (Canada)	Sharon Weber (Jamaica)	Antigua and Barbuda, ^a The Bahamas, ^a Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, ^a St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines	62,217	3.85	583,649	4.24
Amaury Bier (Brazil)	Gil S. Beltran (Philippines)	Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, ^a Trinidad and Tobago	58,124	3.60	412,848	3.00
Franco Passacantando (Italy)	Helena Cordeiro (Portugal)	Albania, Greece, Italy, Malta, ^a Portugal, San Marino, ^a Timor-Leste	56,705	3.51	502,901	3.66
Neil F. Hyden ^d (Australia)	Dong-Soo Chin ^e (Rep. of Korea)	Australia, Cambodia, Kiribati, Korea (Republic of), Marshall Islands, Micronesia (Federated States of), Mongolia, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Vanuatu	55,800	3.45	420,963	3.06
Louis K. Kasekende (Uganda)	J. Mills Jones (Liberia)	Angola, Botswana, Burundi, Eritrea, Ethiopia, The Gambia, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, ^a Nigeria, Seychelles, ^a Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe	55,190	3.41	547,488	3.98
Chander Mohan Vasudev (India)	Akbar Ali Khan (Bangladesh)	Bangladesh, Bhutan, India, Sri Lanka	54,945	3.40	596,440	4.34
Tanwir Ali Agha (Pakistan)	Sid Ahmed Dib (Algeria)	Afghanistan, Algeria, Ghana, Iran (Islamic Republic of), Iraq, Morocco, Pakistan, Tunisia	54,602	3.38	272,525	1.98

Executive Director	Alternate	Casting votes of	IBRD		IDA	
			Total votes	Percent of total	Total votes	Percent of total
Finn Jønck (Denmark)	Inkeri Hirvensalo (Finland)	Denmark, Estonia, ^a Finland, Iceland, Latvia, Lithuania, ^a Norway, Sweden	54,039	3.34	683,380	4.97
Pietro Veglio (Switzerland)	Jakub Karnowski (Poland)	Azerbaijan, Kyrgyz Republic, Poland, Serbia and Montenegro, Switzerland, Tajikistan, Turkmenistan, ^a Uzbekistan	47,943	2.97	519,793	3.78
Zhu Guangyao (China)	Wu Jinkang (China)	China	45,049	2.79	273,252	1.99
Yahya Abdulla M. Alyahya (Saudi Arabia)	Abdulrahman M. Almofadhi (Saudi Arabia)	Saudi Arabia	45,045	2.79	488,093	3.55
Alexey G. Kvasov (Russian Federation)	Eugene Miagkov (Russian Federation)	Russian Federation	45,045	2.79	39,082	.28
Mahdy Ismail Aljazzaf (Kuwait)	Mohamed Kamel Amr (Arab Republic of Egypt)	Bahrain, ^a Egypt (Arab Republic of), Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, ^a Syrian Arab Republic, United Arab Emirates, Yemen (Republic of)	43,984	2.72	296,822	2.16
Rapee Asumpinpong (Thailand)	Hadiyanto (Indonesia)	Brunei Darussalam, ^a Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga, Vietnam	41,096	2.54	387,404	2.82
Alieto Guadagni (Argentina)	Alfonso C. Revollo (Bolivia)	Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay ^a	37,499	2.32	243,375	1.77
Paulo F. Gomes (Guinea-Bissau)	Louis Philippe Ong Seng (Mauritius)	Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Democratic Republic of), Congo (Republic of), Côte d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé and Príncipe, Senegal, Togo	32,252	2.00	411,957	2.99

In addition to the executive directors and alternates shown in the foregoing list, the following also served after October 31, 2002:

Alternate director	End of period of service
Maria Teresa S. Habitan (Philippines)	January 30, 2003
Nguyen Doan Hung (Vietnam)	February 14, 2003
Jerzy Hylewski (Poland)	May 14, 2003
Ahmed Sadoudi (Algeria)	January 24, 2003

Note: Somalia (802 votes in IBRD and 10,506 votes in IDA) did not participate in the 2002 Regular Election of Executive Directors, and its votes are not included in the above table.

a. Member of the IBRD only.

b. To be succeeded by Toshio Oya (Japan) effective July 7, 2003.

c. To be succeeded by Anthony Requin (France) effective July 8, 2003.

d. To be succeeded by John Austin (New Zealand) effective August 1, 2003.

e. To be succeeded by Terry O'Brien (Australia) effective July 23, 2003.

Organizational Information

Officers

June 30, 2003

President

James D. Wolfensohn

Managing Director
Managing Director
Managing Director
Managing Director

Shengman Zhang
Jeffrey A. Goldstein
Mamphela Ramphela
Peter Woicke

Senior Vice President and Chief Financial Officer
Senior Vice President, Development Economics, and Chief Economist
Vice President and Network Head, Operations Policy and Country Services
Vice President, Financial Sector
Vice President and Controller
Vice President, Latin America and the Caribbean
Vice President, External Affairs and U.N. Affairs
Vice President and Network Head, Environmentally
and Socially Sustainable Development
Vice President, East Asia and Pacific
Vice President and Network Head, Private Sector Development
Vice President, Resource Mobilization and Cofinancing
Vice President, World Bank Institute
Vice President, Europe and Central Asia
Vice President, Africa
Vice President and Chief Information Officer
Vice President and Network Head, Poverty Reduction
and Economic Management
Vice President, South Asia
Vice President and Corporate Secretary
Vice President, External Affairs, Europe
Vice President, Middle East and North Africa
Vice President and Network Head, Infrastructure
Vice President, Human Resources
Vice President, Strategy and Resource Management
Vice President and Special Representative, External Affairs, Japan
Vice President and Treasurer
Director-General, Operations Evaluation
Vice President and Network Head, Human Development
Vice President and General Counsel

Gary Perlin
Nicholas H. Stern
James W. Adams
Cesare Calari
Fayezul H. Choudhury
David de Ferranti
Ian A. Goldin

Ian Johnson
Jemal-ud-din Kassum
Michael U. Klein
Geoffrey B. Lamb
Frannie Leautier
Johannes Linn
Callisto Madavo
Mohamed Muhsin

Gobind Nankani
Mieko Nishimizu
Ngozi N. Okonjo-Iweala
Jean-François Rischard
Jean-Louis Sarbib
Nemat Shafik
Katherine Sierra
Anil Sood
Yukio Yoshimura
Graeme Wheeler
Gregory Ingram
vacant
vacant

Note: For further organizational information see "About Us" at www.worldbank.org.

Office Locations

June 30, 2003

Headquarters

1818 H Street N.W.
Washington, D.C. 20433, U.S.A.
Tel: (202) 473-1000
Fax: (202) 477-6391
E-mail: Feedback@worldbank.org
Web: www.worldbank.org

New York Office

Mr. Eduardo A. Doryan
The World Bank, Office of the Special Representative to the U.N.
1 Dag Hammarskjöld Plaza
885 2nd Avenue, 26th Floor
New York, N.Y. 10017, U.S.A.
Tel: (212) 355-5112
Fax: (212) 355-4523
E-mail: Edoryan@worldbank.org

Europe

Mr. Jean-François Rischard
Vice President
Banque Mondiale
66 avenue d'Iéna
75116 Paris, France
Tel: (33-1) 40 69 30 00
Fax: (33-1) 40 69 30 64
E-mail: jrischard@worldbank.org
Web: www.worldbank.org/europe

Brussels

Ms. Haleh Bridi
Special Representative to the European Union
World Bank
10 rue Montoyer
B-1000 Brussels, Belgium
Tel: (32-2) 552 00 52
Fax: (32-2) 552 00 25
E-mail: Hbridi@worldbank.org
Web: www.worldbank.org/eu

Frankfurt

Mr. Oltmann G. Siemens
The World Bank
Bockenheimer Landstrasse 109
60325 Frankfurt am Main, Germany
Tel: (49-69) 743-48230
Fax: (49-69) 743-48239

Geneva

The World Bank
3, chemin Louis-Dunant
Case Postale 66
1211 Geneva 20, Switzerland
Tel: (41-22) 748 1000
Fax: (41-22) 748 1030

London

The World Bank
New Zealand House
15th Floor, Haymarket
London SW1 Y4TE, England
Tel: (44-20) 7930-8511
Fax: (44-20) 7930-8515

Rome

The World Bank
Via Labicana 110
00184 Rome, Italy
Tel: (39-06) 77 7101
Fax: (39-06) 70 96 046
Web: www.worldbank.org/europe

Tokyo

Mr. Yukio Yoshimura
Vice President
The World Bank
10th Floor, Fukoku Seimei Building
2-2-2 Uchisaiwai-cho, Chiyoda-ku,
Tokyo 100-0011 Japan
Tel: (81-3) 3597-6650
Fax: (81-3) 3597-6695
E-mail: Yyoshimura1@worldbank.org
Web: www.worldbank.or.jp/

Afghanistan

Mr. William Byrd
The World Bank
Street No. 15, House No. 19
opposite Palace #8
Wazir Akbar Khan
Kabul, Afghanistan
Tel: (0097) 7027 6002
E-mail: Wbyrd@worldbank.org
Web: www.worldbank.org/sar

Albania

Mr. Eugen Scanteie
The World Bank
Deshmoret e 4 Shkurtit, No. 34
Tirana, Albania
Tel: (355-4) 230 017
Fax: (355-4) 240 590
E-mail: Escanteie@worldbank.org
Web: www.worldbank.org/eca

Algeria

Mr. Djamel Mostefai
Banque Mondiale
19, rue Emile Marquis—Djennane
El Malik—Hydra 16035
Algiers, Algeria
Tel: (213-21) 54.66.66
Fax: (213-21) 54.93.52
E-mail: Dmostefai@worldbank.org

Angola

Mr. Laurence C. Clarke
The World Bank Liaison Office
Rua Alfredo Troni (Edificio BPC)
No. 15, 14 Andar (14th Floor)
Luanda, Angola
(postal address: Caixa Postal 1331)
Tel: (244-2) 394-877
Fax: (244-2) 394-784
E-mail: Lclarke@worldbank.org
Web: www.worldbank.org/afr

*Argentina

Mr. Axel van Trotsenburg
Banco Mundial
Edificio Bouchard
Bouchard 547, 27 & 28 Floor
C1106ABG Buenos Aires, Argentina
Tel: (54-11) 4316-9700
Fax: (54-11) 4313-1233
E-mail:
Avantrotsenburg@worldbank.org
Web: www.worldbank.org/lac

Armenia

Mr. Roger Robinson
The World Bank
Republic Square
9 V. Sargsyan Street
Yerevan 375010, Armenia
Tel: (374-1) 527888
Fax: (374-1) 521787
E-mail: Rrobinson@worldbank.org
Web: www.worldbank.org/eca

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

***Australia**

Mr. Xian Zhu
The World Bank
Level 19, 14 Martin Place
CML Building
Sydney NSW 2000, Australia
Tel: (61-2) 9235-6522
Fax: (61-2) 9223-9903
E-mail: Xzhu1@worldbank.org
Web: www.worldbank.org/eap

Azerbaijan

Mr. Akbar Noman
The World Bank
91-95 Mirza Mansur Street
Icheri Sheher
Baku, 370004, Azerbaijan
Tel: (994-12) 922586
Fax: (994-12) 921479
E-mail: Anoman@worldbank.org
Web: www.worldbank.org/eca

***Bangladesh**

Ms. Christine Wallich
The World Bank
3A, Paribagh
Dhaka 1000, Bangladesh
(postal address: G.P.O. Box 97)
Tel: (880-2) 861-1056, 966-9301-7
Fax: (880-2) 861-3220
E-mail: Cwallich@worldbank.org
Web: www.worldbank.org/sar

Belarus

Mr. Vadim P. Voronin
The World Bank
2A Gertsen Street, 2nd Floor
Minsk, 220030
Republic of Belarus
Tel: (375-17) 226-5284
Fax: (375-17) 211-0314
E-mail: Vvoronin@worldbank.org
Web: www.worldbank.org/eca

Belgium

Ms. Margret C. Thalwitz
Banque Mondiale
10 rue Montoyer, bte 16
B-1000 Brussels, Belgium
Tel: (32-2) 552 00 52
Fax: (32-2) 552 00 25
E-mail: Mthalwitz@worldbank.org
Web: www.worldbank.org/eca

Benin

Ms. Diarietou Gaye
Banque Mondiale
Zone Résidentielle de la Radio
Cotonou, Bénin
(postal address: B.P. 03-2112)
Tel: (229) 312124
Fax: (229) 312751, 315839
E-mail: Dgaye@worldbank.org
Web: www.worldbank.org/afr

Bolivia

Mr. John Newman
Banco Mundial
Edificio Victor, piso 9
Calle Fernando Guachalla #342
Sopocachi
La Paz, Bolivia
(postal address: Casilla 8692)
Tel: (591-2) 244-3555
Fax: (591-2) 212-9880
E-mail: Jnewman@worldbank.org
Web: www.worldbank.org/lac

Bosnia and Herzegovina

Mr. Joseph K. Ingram
The World Bank
Hamdije Kresevljakovica 19/5
71000 Sarajevo
Bosnia and Herzegovina
Tel: (387-33) 440 293
Fax: (387-33) 440 108
E-mail: Jingram@worldbank.org
Web: www.worldbank.org/ba

***Brazil**

Mr. Vinod Thomas
Banco Mundial
Setor Comercial Norte Quadra 02
Lote A—Edificio
Corporate Financial Center
Conjuntos 204/303/304, 603
Brasilia, DF 70712-900, Brazil
Tel: (55-61) 329-1000
Fax: (55-61) 329-1010
E-mail: Vthomas@worldbank.org
Web: www.worldbank.org/lac

Brazil, Fortaleza

Mr. Antonio Magalhaes
The World Bank Liaison Office
Rua Oswaldo Cruz, No. 01
Edificio Beira Mar Trade Center,
Sala 1710
60125-150—Fortaleza, Ceará, Brazil
Tel: (55-85) 242-7200
Fax: (55-85) 242-7177
Web: www.worldbank.org/lac

Brazil, Recife

Mr. Tulio Barbosa
Banco Mundial
Edificio SUDENE, Sala 13S-021
Cidade Universitaria
50670-900 Recife, PE, Brazil
Tel: (55-81) 3453-1644
Fax: (55-81) 3453-4624
E-mail: Tbarbosa@worldbank.org
Web: www.worldbank.org/lac

Bulgaria

Mr. Oscar de Bruyn Kops
The World Bank
World Trade Center—Interpred
36 Dragan Tsankov Blvd.
1040 Sofia, Bulgaria
Tel: (359-2) 96 97 229
Fax: (359-2) 971 20 45
E-mail: Odebruynkops@worldbank.org
Web: www.worldbank.bg

Burkina Faso

Mr. Jean Mazurelle
Banque Mondiale
Immeuble BICIA, 3ème étage
Ouagadougou, Burkina Faso
(postal address: B.P. 622)
Tel: (226) 306237
Fax: (226) 308649
E-mail: Jmazurelle@worldbank.org
Web: www.worldbank.org/afr

Burundi

Mr. Mathurin Gbetibouo
Banque Mondiale
avenue du 18 septembre
Bujumbura, Burundi
(postal address: B.P. 2637)
Tel: (257-2) 22443, 23269
Fax: (257-2) 26005
E-mail: Mgbetibouo@worldbank.org
Web: www.worldbank.org/afr

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Cambodia

Ms. Nisha Agrawal
The World Bank
113 Norodom Boulevard
Phnom Penh, Cambodia
(postal address: P.O. Box 877)
Tel: (855-23) 213538, 213639
Fax: (855-23) 210504, 210373
E-mail: Nagrawal@worldbank.org
Web: www.worldbank.org/eap

Cameroon

Mr. Madani M. Tall
Banque Mondiale
rue I. 792, No. 186
Yaoundé, Cameroon
(postal address: B.P. 1128)
Tel: (237) 221 68 75
Fax: (237) 221 07 22
E-mail: Mtall@worldbank.org
Web: www.worldbank.org/afr

Central African Republic

Mr. Madani M. Tall
Banque Mondiale
rue des Missions
Bangui, République Centrafricaine
(postal address: B.P. 819)
Tel: (236) 616138
Fax: (236) 616087
E-mail: Mtall@worldbank.org
Web: www.worldbank.org/afr

Chad

Mr. Gregor Binkert
Banque Mondiale
avenue Charles de Gaulle
et avenue du Commandant Lamy
Quartier Bololo
N'Djamena, Chad
(postal address: B.P. 146)
Tel: (235-52) 3247, 3360
Fax: (235-52) 4484
E-mail: Gbinkert@worldbank.org
Web: www.worldbank.org/afr

***China**

Mr. Yukon Huang
The World Bank
9th Floor, Building A, Fuhua Mansion
No. 8, Chaoyangmen Beidajie
Dongcheng District,
Beijing 100027, China
(postal address: P.O. Box 100600-9086)
Tel: (86-10) 6554-3361
Fax: (86-10) 6554-1686
E-mail: Yhuang2@worldbank.org
Web: www.worldbank.org/cn/

Colombia

Mr. Alberto Chueca Mora
Banco Mundial
Carrera 7 No. 71-21
Torre A, piso 16
Apartado 10229
Bogota, Colombia
Tel: (57-1) 326-3600
Fax: (57-1) 326-3480
E-mail: Achuecamora@worldbank.org
Web: www.worldbank.org/lac

Congo, Democratic Republic of the

Mr. Onno Ruhl
The World Bank
avenue Wagenia, no. 4847
Kinshasa-Gombe
Democratic Republic of the Congo
Tel: (243) 994-9015
Fax: (243) 880-7817
E-mail: Oruhl@worldbank.org
Web: www.worldbank.org/afr

Congo, Republic of

Mr. Alassane Diawara
The World Bank
Immeuble BDEAC, 2è étage
Boulevard de la Révolution
P.O. Box 14536
Brazzaville, Republic of Congo
Tel: (242) 81 33 30
Fax: (242) 81 53 16
E-mail: Adiawara@worldbank.org
Web: www.worldbank.org/afr

***Côte d'Ivoire**

Mr. Mamadou Dia
Banque Mondiale
Corner of Booker Washington and
Jacques Aka Streets, Cocody, Abidjan 01,
Côte d'Ivoire
(postal address: B.P. 1850)
Tel: (225) 22 40 04 00
Fax: (225) 22 40 04 61
E-mail: Mdia@worldbank.org
Web: www.worldbank.org/afr

***Croatia**

Mr. Andrew Vorkink, Country Director
Ms. Indira Konjhodzic, Country
Manager
The World Bank
Trg J.F. Kennedyya 6b/III
HR-10000 Zagreb, Croatia
Tel: (385-1) 2357-222
Fax: (385-1) 2357-200
E-mail: Avorkink@worldbank.org
E-mail: Ikonjhodzic@worldbank.org
Web: www.worldbank.hr/

Dominican Republic

Mr. Marco Mantovanelli
Banco Mundial
Calle Virgilio Díaz Ordoñez #36
esq. Gustavo Mejía Ricart
Edificio Mezzo Tempo, Suite 401
4ta. Planta, Santo Domingo, R.D.
Tel: (809) 566-6815
Fax: (809) 566-7746, 566-7189
E-mail: Mmantovanelli@worldbank.org
Web: www.worldbank.org/lac

Ecuador

Mr. McDonald P. Benjamin
Banco Mundial
Calle 12 de Octubre 1830 y Cordero
World Trade Center
Torre B, Piso 13
Quito, Ecuador
Tel: (593-2) 222 0204
Fax: (593-2) 222 0205
E-mail: Mbenjamin1@worldbank.org
Web: www.worldbank.org/lac

***Egypt, Arab Republic of**

Mr. Mahmood A. Ayub
The World Bank
World Trade Center
1191 Corniche El-Nil, 15th Floor
Boulaq
Cairo, Arab Republic of Egypt, 11221
Tel: (20-2) 574-1670
Fax: (20-2) 574-1676
E-mail: Mayub@worldbank.org
Web: www.worldbank.org/mena

Eritrea

Mr. Florian Fichtl
The World Bank
15/17, Tsegai Adig Street
Zone 03, Subzone 01
Asmara, Eritrea
Tel: (291-1) 12 43 02
Fax: (291-1) 12 43 09
E-mail: Ffichtl@worldbank.org
Web: www.worldbank.org/afr

***Ethiopia**

Mr. Ishac Diwan
The World Bank
Africa Avenue
Bole Road
Addis Ababa, Ethiopia
(postal address: P.O. Box 5515)
Tel: (251-1) 62 77 00
Fax: (251-1) 62 77 17
E-mail: Idiwan@worldbank.org
Web: www.worldbank.org/afr

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Gabon

Ms. Mehrnaz Teymourian
Banque Mondiale
Quartier Palais de Justice
Section RG—Parcelle No. 222
P.O. Box 2183
Libreville, Gabon
Tel: (241) 73 81 71
Fax: (241) 73 81 69
E-mail: Mteymourian@worldbank.org
Web: www.worldbank.org/afr

Georgia

The World Bank
5A, 1st Drive, Chavchavadze Avenue
Tbilisi, 380079 Georgia
Tel: (995-32) 99-04-48
Fax: (995-32) 99-52-88
Web: www.worldbank.org/eca

***Ghana**

Mr. Mats Karlsson
The World Bank
69 Dr. Isert Road
North Ridge Residential Area
Accra, Ghana
(postal address: P.O. Box M. 27)
Tel: (233-21) 229681
Fax: (233-21) 227887
E-mail: Mkarlsson@worldbank.org
Web: www.worldbank.org/afr

Guatemala

Mr. Eduardo Somensatto
Banco Mundial
13 Calle 3-40
Zona 10, Edificio Atlantis, Piso 14
Guatemala City, Guatemala
Tel: (502) 366-2044
Fax: (502) 366-1936
E-mail: Esomensatto@worldbank.org
Web: www.worldbank.org/lac

Guinea

Mr. Jan Weetjens
Banque Mondiale
Immeuble de l'Archevêché
Face Baie des Anges
Conakry, Guinée
(postal address: B.P. 1420)
Tel: (224) 412-770
Fax: (224) 415-094
E-mail: Jweetjens@worldbank.org
Web: www.worldbank.org/afr

Guyana

The World Bank Liaison Office
UNDP Building
42 Brickdam and U.N. Place
Stabroek
Georgetown, Guyana
Tel: (592) 223 5036
Fax: (592) 225 1384
Web: www.worldbank.org/lac

Haiti

Mr. Marco Mantovanelli
Banque Mondiale
c/o IDB, 389 Route de Bourdon
Port-au-Prince, Haïti
Tel: (509) 510-3797
Fax: (509) 512-5895 / (809) 566-7746
E-mail: Mmantovanelli@worldbank.org
Web: www.worldbank.org/lac

Honduras

Mr. Joseph Owen
Banco Mundial
Centro Financiero BANEXPO, 4to Piso
Boulevard San Juan Bosco
Colonia Payaqui
Apartado Postal 3591,
Tegucigalpa, Honduras
Tel: (504) 239-4551
Fax: (504) 239-4555
E-mail: Jowen@worldbank.org
Web: www.worldbank.org/lac

***India**

Mr. Michael F. Carter
The World Bank
70 Lodi Estate
New Delhi 110 003, India
(postal address: P.O. Box 416,
New Delhi 110 001)
Tel: (91-11) 2461 7241
Fax: (91-11) 2461 9393
E-mail: Mcarter1@worldbank.org
Web: www.worldbank.org.in/

***Indonesia**

Mr. Andrew Steer
The World Bank
Jakarta Stock Exchange Building
Tower 2, 12th Floor
Sudirman Central Business
District (SCBD)
Jl. Jendral Sudirman Kav. 52-53
Jakarta 12190, Indonesia
(postal address: P.O. Box 324/JKT)
Tel: (62-21) 5299-3000
Fax: (62-21) 5299-3111
E-mail: Asteer@worldbank.org
Web: www.worldbank.or.id

Jamaica

Mr. Errol G. Graham
The World Bank Liaison Office
Island Life Center
6 St. Lucia Avenue
Third Floor
Kingston 5, Jamaica
Tel: (876) 960-0459
Fax: (876) 960-0463
E-mail: Egraham@worldbank.org
Web: www.worldbank.org/lac

***Kazakhstan**

Mr. Dennis N. de Tray
The World Bank Almaty Office
41/A Kazybek bi Street, 4th Floor
480100 Almaty, Republic of Kazakhstan
Tel: (7-3272) 980-580
Fax: (7-3272) 980-581
E-mail: Ddetray@worldbank.org
Web: www.worldbank.org/kz/

Mr. Roman Solodchenko
The World Bank Astana Office
Samal Microdistrict, 14th Floor
Astana Towers
473000 Astana, Republic of Kazakhstan
Tel: (7-3172) 580-555
Fax: (7-3172) 580-342
E-mail: Sroman@worldbank.org

***Kenya**

Mr. Makhtar Diop
The World Bank
Hill Park Building
Upper Hill
Nairobi, Kenya
(postal address: P. O. Box 30577)
Tel: (254-2) 260 300
Fax: (254-2) 260 380
E-mail: Mdiop2@worldbank.org
Web: www.worldbank.org/afr

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Kosovo

Mr. Sidi Boubacar
The World Bank Liaison Office
Rruga Tirana No. 35
Pristina, Kosovo
Serbia and Montenegro
Tel: (381-38) 249 459
Fax: (381-38) 249 780
E-mail: Sboubacar@worldbank.org
Web: www.worldbank.org/eca

Kyrgyz Republic

Mr. James Christopher Lovelace
The World Bank
214 Moskovskaya Str.
Bishkek 720010, Kyrgyz Republic
Tel: (996-312) 61 06 50
Fax: (996-312) 61 03 56
E-mail: Jlovelace@worldbank.org
Web: www.worldbank.org/kg

Lao People's Democratic Republic

Mr. Enrique O. Crousillat
The World Bank
Pathou Xay—Nehru Road
Vientiane, Lao PDR
(postal address: P.O. Box 345
code 01004)
Tel: (856-21) 414-209, 450-010
Fax: (856-21) 414-210
E-mail: Ecrousillat@worldbank.org
Web: www.worldbank.org/eap

Latvia

Mrs. Inguna Dobraja
The World Bank
Smilsu Street 8, 5th Floor
Riga, LV 1162, Latvia
Tel: (371-7) 220-744
Fax: (371-7) 814-245
E-mail: Idobraja@worldbank.org
Web: www.worldbank.org.lv/

Lebanon

Mr. Omar Razzaz
The World Bank
U.N. House
6th Floor
Riad El Solh
Beirut 1107 2270, Lebanon
(postal address: P.O. Box 11-8577)
Tel: (961-1) 987 800
Fax: (961-1) 986 800
Web: www.worldbank.org/mena

Lesotho

The World Bank Liaison Office
U.N. House
United Nations Road
Maseru, Lesotho
Tel: (266) 321-480
Fax: (266) 310-619
Web: www.worldbank.org/afr

Lithuania

Mr. Mantas Nocius
The World Bank
Jogailos Str. 4, 5th Floor
2001 Vilnius, Lithuania
Tel: (370-5) 210 7680
Fax: (370-5) 210 7681
E-mail: Mnocius@worldbank.org
Web: www.worldbank.lt/

Macedonia, Republic of

Ms. Marie-H. P. Bricknell
The World Bank
34 Leninova Street
91000 Skopje, Republic of Macedonia
Tel: (389-2) 117-159
Fax: (389-2) 117-627
E-mail: Mbricknell@worldbank.org
Web: www.worldbank.org.mk/

***Madagascar**

Mr. Hafez Ghanem
Banque Mondiale
Rue Andriamifidy L.
Razafimanantsoa, Anosy (près du
Ministère des Affaires Etrangères)
Antananarivo 101, Madagascar
(postal address: B. P. 4140)
Tel: (261-20) 2256000
Fax: (261-20) 2233338
E-mail: Hghanem@worldbank.org
Web: www.worldbank.org/afr

Malawi

Mr. Dunstan M. Wai
The World Bank
Development House
Capital City
Lilongwe 3, Malawi
(postal address: P.O. Box 30557)
Tel: (265-1) 770 611
Fax: (265-1) 771 158 / 773 908
E-mail: Dwai@worldbank.org
Web: www.worldbank.org/afr

Mali

Ms. Judith Press
Banque Mondiale
Immeuble SOGEFIH,
Centre Commercial Rue 32
Quartier du Fleuve
Bamako, Mali
(postal address: B. P. 1864)
Tel: (223) 222 22 83
Fax: (223) 222 66 82
E-mail: Jpress@worldbank.org
Web: www.worldbank.org/afr

Mauritania

Mr. Yves Duvivier
Banque Mondiale
Villa No. 30, Lot A
Quartier Socogim
Nouakchott, Mauritanie
(postal address: B. P. 667)
Tel: (222) 525 10 17
Fax: (222) 525 13 34
E-mail: Yduvivier@worldbank.org
Web: www.worldbank.org/afr

***Mexico**

Ms. Isabel M. Guerrero
Banco Mundial
Insurgentes Sur 1605, Piso 24
San Jose Insurgentes
03900 Mexico, D. F., Mexico
Tel: (52-5) 5480-4200
Fax: (52-5) 5480-4222
E-mail: Iguerrero@worldbank.org
Web: www.worldbank.org/lac

Moldova

Mr. Edward K. Brown
The World Bank
Sciusev str., 76/6, MD 2012
Chisinau, Republic of Moldova
Tel: (373-2) 237-065
Fax: (373-2) 237-053
E-mail: Ebrown1@worldbank.org
Web: www.worldbank.org/eca

Mongolia

Mr. Saha Dhevan Meyanathan
The World Bank
11-A Peace Avenue
Ulaanbaatar 210648, Mongolia
Tel: (976-11) 312-647
Fax: (976-11) 312-645
E-mail: Smeyanathan@worldbank.org
Web: www.worldbank.org/mn

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Morocco

Mr. Ferid Belhaj
The World Bank
7, rue Larbi Ben Abdellah
Rabat-Souissi, Morocco
Tel: (212-37) 63.60.50
Fax: (212-37) 63.60.51
E-mail: Fbelhaj@worldbank.org
Web: www.worldbank.org/mena

***Mozambique**

Mr. Darius Mans
The World Bank
Avenue Kenneth Kaunda, 1224
Maputo, Mozambique
(postal address: Caixa Postal 4053)
Tel: (258-1) 49 28 41
Fax: (258-1) 49 28 93
E-mail: Dmans@worldbank.org
Web: www.worldbank.org/afr

***Nepal**

Mr. Kenichi Ohashi
The World Bank
Yak & Yeti Hotel Complex
Lal Durbar
Kathmandu, Nepal
(postal address: P.O. Box 798)
Tel: (977-1) 4226793
Fax: (977-1) 4225112
E-mail: Kohashi@worldbank.org
Web: www.worldbank.org/sar

Nicaragua

Ms. Amparo Ballivian
Banco Mundial
De la Rotonda de la
Centroamerica, 400 mts. abajo
Segundo Piso Edificio SYSCOM
Managua, Nicaragua
Tel: (505) 270-0000
Fax: (505) 270-0077
E-mail: Aballivian@worldbank.org
Web: www.worldbank.org/lac

Niger

Mr. Vincent Turbat
Banque Mondiale
42 rue des Dallols
Niamey Plateau
B. P. 12402
Niamey, Niger
Tel: (227) 73 59 29
Fax: (227) 73 55 06
E-mail: Vturbat@worldbank.org
Web: www.worldbank.org/afr

***Nigeria**

Mr. Mark D. Tomlinson
The World Bank
Plot 433 Yakubu Gowon Crescent
Opposite ECOWAS Secretariat
Asokoro District
Abuja, Nigeria
(postal address: P.O. Box 2826, Garki)
Tel: (234-9) 314-5269
Fax: (234-9) 314-5267
E-mail: Mtomlinson@worldbank.org
Web: www.worldbank.org/afr

***Pakistan**

Mr. John W. Wall
The World Bank
20 A Shahrah-e-Jamhuriyat, Ramna 5,
G-5/1, Islamabad, Pakistan
(postal address: P.O. Box 1025)
Tel: (92-51) 2279641
Fax: (92-51) 2279648
E-mail: Jwall@worldbank.org
Web: www.worldbank.org/sar

Papua New Guinea

Mr. Mahesh Sharma
The World Bank Liaison Office
c/o Holiday Inn
Suite 102
P.O. Box 1981
Boroko, Port Moresby
Papua New Guinea
Tel: (675) 323-1366
Fax: (675) 323-1526
Web: www.worldbank.org/eap

Paraguay

Mr. Peter M. Hansen
Banco Mundial
Edificio Naciones Unidas
Av. Mcal. Lopez y Saravi
Asunción, Paraguay
Tel: (595-21) 664-000
Fax: (595-21) 664-002
E-mail: Phansen1@worldbank.org
Web: www.worldbank.org/lac

***Peru**

Mr. Marcelo Giugale
Banco Mundial
Avenida Alvarez Calderón 185
Piso 7, San Isidro
Lima, Peru
Tel: (51-1) 215-0660
Fax: (51-1) 421-7241
E-mail: Mgiugale@worldbank.org
Web: www.worldbank.org/lac

***Philippines**

Mr. Robert V. Pulley
The World Bank
23/E, The Taipan Place Building
Emerald Avenue, Ortigas Center
Pasig City, Metro Manila, Philippines
Tel: (63-2) 637-5855
Fax: (63-2) 637-5870
E-mail: Rpulley@worldbank.org
Web: www.worldbank.org/eap

***Poland**

Mr. Roger W. Grawe, Country Director
Mr. Christopher L. Hall, Country
Manager
The World Bank
53, Emilii Plater St.
Warsaw Financial Center, 9th Floor
00-113 Warsaw, Poland
Tel: (48-22) 520 8000
Fax: (48-22) 520 8001
E-mail: Rgrawe@worldbank.org,
chall1@worldbank.org
Web: http://www.worldbank.org/pl/

Romania

The World Bank
Boulevard Dacia 83, Sector 2
Bucharest, Romania
Tel: (40-1) 210-1804
Fax: (40-1) 210-2021
Web: www.worldbank.org/ro/

***Russian Federation**

Mr. Julian F. Schweitzer
The World Bank
Bolshaya Molchanovka 36/1
Moscow 121069, Russian Federation
Tel: (7-095) 745-7000
Fax: (7-095) 745-7002
E-mail: Jsweitzer@worldbank.org
Web: www.worldbank.org/ru/eng/

Rwanda

The World Bank
Blvd. de la Révolution
SORAS Building
Kigali, Rwanda
(postal address: P.O. Box 609)
Tel: (250) 572204
Fax: (250) 576385
Web: www.worldbank.org/afr

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Saudi Arabia

Mr. Edgar Saravia
The World Bank
UNDP Building, Diplomatic Quarter
(beside American Embassy)
Riyadh, Saudi Arabia
(postal address: P.O. Box 5900,
Riyadh 11432, Saudi Arabia)
Tel: (966-1) 483-4956
Fax: (966-1) 488-5311
E-mail: Esaravia@worldbank.org
Web: www.worldbank.org/mena

***Senegal**

Mr. John McIntire
Banque Mondiale
3, place de l'indépendance
Immeuble SDIH 5ème étage
Dakar, Sénégal
(postal address: B. P. 3296)
Tel: (221) 849-50-00
Fax: (221) 849-50-27
E-mail: Jmcintire@worldbank.org
Web: www.worldbank.org/afr

Serbia and Montenegro

Mr. Rory O'Sullivan
The World Bank
Bulevar Kralja Aleksandra 86-90
Belgrade, Serbia and Montenegro
Tel: (381-11) 3023-700
Fax: (381-11) 3023-732
E-mail: Rosullivan@worldbank.org
Web: www.worldbank.org/eca

Sierra Leone

Mr. Richard Lynn Ground
The World Bank
Africanus House
13A Howe Street
Freetown, Sierra Leone
Tel: (232-22) 227555
Fax: (232-22) 228555
E-mail: Rground@worldbank.org
Web: www.worldbank.org/afr

Singapore

Mr. Peter L. Stephens
The World Bank Liaison Office
#15-08, MAS Building
10 Shenton Way
Singapore, 079117
Tel: (65) 6324-4612
Fax: (65) 6324-4615
E-mail: Pstephens1@worldbank.org
Web: www.worldbank.org/eap

***South Africa**

Mr. Fayez S. Omar
The World Bank
First Floor, Pro Equity Court
1250 Pretorius Street
Hatfield, Pretoria 0083
Republic of South Africa
(postal address: P.O. Box 12629,
Hatfield 0028, Pretoria)
Tel: (27-12) 431-3100
Fax: (27-12) 431-3134
E-mail: Fomar@worldbank.org
Web: www.worldbank.org/afr

***Sri Lanka**

Mr. Peter C. Harrold
The World Bank
1st Floor, DFCC Building
73/5, Galle Road
Colombo 3, Sri Lanka
(postal address: P.O. Box 1761)
Tel: (94-1) 448070/1
Fax: (94-1) 440357
E-mail: Pharrold@worldbank.org
Web: www.worldbank.org/sar

Tajikistan

Mr. Cevdet A. Denizer
The World Bank
Rudaki Avenue 105
Dushanbe, Tajikistan
Tel: (992-372) 21-07-56
Fax: (992-372) 51-00-42
E-mail: Cdenizer@worldbank.org
Web: www.worldbank.org/eca

Tanzania

Mr. Benno J. Ndulu
The World Bank
50 Mirambo Street
Dar-es-Salaam, Tanzania
(postal address: P.O. Box 2054)
Tel: (255-22) 2114575
Fax: (255-22) 2113039
E-mail: Bndulu@worldbank.org
Web: www.worldbank.org/afr

***Thailand**

Mr. Ian C. Porter
The World Bank
Diethelm Towers, Tower A
14th Floor, 93/1 Wireless Road
Lumpini, Pathumwan
Bangkok 10330, Thailand
Tel: (66-2) 256-7792
Fax: (66-2) 256-7794/5
E-mail: Iporter@worldbank.org
Web: www.worldbank.or.th

Timor-Leste

Ms. Elisabeth Huybens
The World Bank
Rua Dos Direitos Humanos
Dili, Timor-Leste
(postal address: World Bank Mission,
Timor-Leste, GPO Box 3548, Darwin
NT 0801, Australia)
Tel: (670-390) 312-367 / 324-649
Fax: (670-390) 321-178 (from
Australia only)
E-mail: Ehuybens@worldbank.org
Web: www.worldbank.org/eap

Togo

Mr. Jean-Michel Happi
Banque Mondiale
169 Boulevard du 13 Janvier
Immeuble BTCl, 8ème étage
Lomé, Togo
(postal address: Boite Postale 3915)
Tel: (228) 221 57 77
Fax: (228) 221 78 56
E-mail: Jhappi@worldbank.org
Web: www.worldbank.org/afr

Tunisia

Ms. Fatma Felah
The World Bank Liaison Office
61, Boulevard Bab Benat
1035 Tunis, Tunisia
Tel: (216-71) 563-265
Fax: (216-71) 436-475
E-mail: Ffelah@worldbank.org
Web: www.worldbank.org/mena

***Turkey**

Mr. Ajay Chhibber
The World Bank
Ugur Mumcu Caddesi 88
Kat: 2, 06700 Gaziosmanpasa
Ankara, Turkey
Tel: (90-312) 446 38 24
Fax: (90-312) 446 24 42
E-mail: Achhibber@worldbank.org
Web: www.worldbank.org/tr/

Turkmenistan

Mrs. Guljahan Kurbanova
The World Bank Liaison Office
United Nations Building
Atabaev Street, 40
Ashgabat 744000
Turkmenistan
Tel: (993-12) 350477
Fax: (993-12) 351693
E-mail: Gkurbanova@worldbank.org
Web: www.worldbank.org/eca

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

Uganda

The World Bank
1 Lumumba Avenue
Rwenzori House, 4th Floor
Kampala, Uganda
(postal address: P.O. Box 4463)
Tel: (256-41) 230-094
Fax: (256-41) 230-092
Web: www.worldbank.org/afr

Ukraine

Mr. Dusan Vujovic
The World Bank
2 Lysenko Street
Kyiv 01034, Ukraine
Tel: (380-44) 490 6671
Fax: (380-44) 490 6670
E-mail: Dvujovic@worldbank.org
Web: www.worldbank.org.ua/

Uzbekistan

Mr. David Pearce
The World Bank
15th Floor of International
Business Center
107 B, Amir Timur Str.
700084, Tashkent, Uzbekistan
Tel: (998-71) 1385950
Fax: (998-71) 1385951
E-mail: Dpearce@worldbank.org
Web: www.worldbank.org/eca

Venezuela, República Bolivariana de

Mr. David Varela
Banco Mundial
Av. Francisco de Miranda
con Av. del Parque
Torre Edicampo, Piso 10,
Campo Alegre
Caracas, República Bolivariana
de Venezuela
Tel: (58-212) 267-9943
Fax: (58-212) 267-9828
E-mail: Dvarela@worldbank.org
Web: www.worldbank.org/lac

***Vietnam**

Mr. Klaus Rohland
The World Bank
63 Ly Thai To Street, 8th Floor
Hanoi, Vietnam
Tel: (84-4) 934-6600
Fax: (84-4) 934-6597
External Affairs contact:
E-mail: Krohland@worldbank.org
Web: www.worldbank.org/vn

***West Bank and Gaza**

Mr. Nigel Roberts
The World Bank
P.O. Box 54842
Jerusalem
Al-Ram Tel: (972-2) 2366500
Al-Ram Fax: (972-2) 2366543
Gaza Tel: (972-8) 2823422
Gaza Fax: (972-8) 2824296
Web: www.worldbank.org/mena

Yemen, Republic of

Mr. Robert E. Hindle
The World Bank, Hadda Street No. 40
off Damascus Road
Sana'a, Republic of Yemen
(postal address: P.O. Box 18152)
Tel: (967-1) 413 708
Fax: (967-1) 413 709
E-mail: Rhindle@worldbank.org
Web: www.worldbank.org/mena

Zambia

Mr. Ohene Owusu Nyanin
The World Bank
Anglo American Building
74 Independence Avenue, 3rd Floor
Lusaka, Zambia 10101
(postal address: P.O. Box 35410)
Tel: (260-1) 252-811
Fax: (260-1) 254-283
E-mail: Onyanin@worldbank.org
Web: www.worldbank.org/afr

Zimbabwe

Mr. Ohene Owusu Nyanin
The World Bank
Old Lonrho Building
88 Nelson Mandela Avenue
Harare, Zimbabwe
(postal address: P.O. Box 2960)
Tel: (263-4) 729-611
Fax: (263-4) 708-659
E-mail: Onyanin@worldbank.org
Web: www.worldbank.org/zw/

*Country Directors are located in the country office. See the Map of Country Offices and Borrower Eligibility in chapter 5.
Note: Web sites for Bank regions on pages 182 and 183.

About the Staff of the World Bank

The staff of the World Bank is a richly diverse group, representing a wide range of ethnic, cultural, racial, educational, and professional backgrounds. The work of IBRD and IDA is performed by approximately 8,800 staff working in Washington, D.C., headquarters and in over 100 Country Offices worldwide. Of these staff:

- 54 percent work in the six regions
- 17 percent work in the “anchor units” of the professional networks and other operational units
- 29 percent work in finance, administrative, and corporate units
- Over 75 percent of staff is affiliated with one or more professional networks.

Decentralization. Increased presence in client countries is helping the Bank better understand, work more closely with, and provide faster service to clients. A total of 68 percent of Country Directors and 30 percent of staff are now based in Country Offices, with 26 percent of staff hired locally by the Country Offices.

Diversity. The staff of the World Bank represents more than 140 nationalities. Staff from Part II countries account for 58 percent of all staff and 36 percent of management and senior technical positions. (See country list on page 181.)

For more than a decade the World Bank has worked to improve gender equality and racial equality. Today women account for 52 percent of all staff and for 24 percent of management and senior technical positions. Sub-Saharan African and Caribbean nationals are 15 percent of all staff and 7 percent of management and senior technical positions.

The 31 officers of the World Bank (listed on page 126) include 11 Part II country nationals, 6 women, and 7 Sub-Saharan African nationals.

THE COMMUNITY OUTREACH PROGRAM

As the third-largest employer in the Washington, D.C., area, the World Bank Group recognizes the need for

individual and corporate responsibility where we live and work. In keeping with the Bank’s poverty reduction mission, the Community Outreach Program seeks to improve the lives of our neighbors in the greater metropolitan community. The Bank encourages staff volunteerism, conducts an annual grants program, and partners with area groups to strengthen local communities.

The World Bank’s extended family, including family members and retirees, is more than 25,000 people in the Washington, D.C., metropolitan area. Independent analysis shows that the World Bank generates almost \$2 billion a year for the local economy. The World Bank was recognized recently in the *Washington Business Journal* as the 19th most philanthropic business in the Washington, D.C., area in 2002. The Bank applies its global mission locally through the sharing of knowledge, information, and expertise as we help solve many of the local challenges that Bank staff deals with throughout the world, such as education, HIV/AIDs, and affordable health care.

One highlight of Community Outreach Program commitments is our partnerships in education, with Cardozo Senior High and Bell Multicultural Senior High Schools, designed to help meet their educational and technology needs while providing real-life work experience through summer and after-school employment opportunities. Understanding that education is at the heart of poverty reduction, the Bank, in collaboration with major corporate partners, recently launched the Public Education Partnership Fund that will assist in implementing a new strategic plan for the Washington, D.C., public school system.

Today the World Bank Group Community Outreach Program serves the area’s most disadvantaged people through a wide array of partnerships, sponsorships, grants, and volunteering efforts. The Community Outreach Program focuses on local poverty alleviation by concentrating its efforts on education, employment and training, health services, and civic and socioeconomic development.

Table 6.1 Country Eligibility for Borrowing from the World Bank

(as of July 1, 2003)

Income group and country	2002 GNI per capita ^a	Income group and country	2002 GNI per capita ^a
Countries eligible for IBRD funds only			
Per capita income over \$5,115			
Korea, Republic of	9,930	Marshall Islands	2,350
Slovenia	9,810	Dominican Republic	2,320
Antigua and Barbuda	9,390	Fiji	2,160
Palau	7,140	Micronesia, Federated States of	2,150
Trinidad and Tobago	6,490	Russian Federation	2,140
St. Kitts and Nevis	6,370	El Salvador	2,080
Mexico	5,910	Peru	2,050
Czech Republic	5,560	Tunisia	2,000
Hungary	5,280	Thailand	1,980
Seychelles ^d	NA	Suriname	1,960
		Namibia	1,900
		Romania	1,850
Per capita income \$2,936–\$5,115			
Croatia	4,640	Colombia	1,830
Poland	4,570	Bulgaria	1,790
Uruguay	4,370	Jordan	1,760
Chile	4,260	Guatemala	1,750
Estonia	4,140	Algeria	1,720
Costa Rica	4,100	Iran, Islamic Republic of	1,710
Venezuela, República Bolivariana de	4,090	Macedonia, former Yugoslav Republic of	1,700
Argentina	4,060	Kazakhstan	1,510
Panama	4,020	Egypt, Arab Republic of	1,470
Lebanon	3,990	Ecuador	1,450
Slovak Republic	3,950		
Mauritius	3,850	Per capita income \$735–\$1,415	
Lithuania	3,660	Belarus	1,360
Malaysia	3,540	Turkmenistan	1,200
Latvia	3,480	Morocco	1,190
Gabon	3,120	Swaziland	1,180
Botswana	2,980	Paraguay	1,170
Belize	2,960	Syrian Arab Republic	1,130
		Philippines	1,020
Per capita income \$1,416–\$2,935			
Brazil	2,850	China	940
Jamaica	2,820	Ukraine	770
South Africa	2,600	Iraq ^d	NA
Turkey	2,500		
		Per capita income less than \$735	
		Equatorial Guinea	NA

Countries eligible for a blend of IBRD and IDA funds^b

Per capita income \$2,936–\$5,115		Per capita income less than \$735	
St. Lucia ^c	3,840	Azerbaijan	710
Grenada ^c	3,500	Indonesia	710
Dominica ^c	3,180	Papua New Guinea	530
		India	480
Per capita income \$1,416–\$2,935		Uzbekistan	460
St. Vincent and the Grenadines ^c	2,820	Pakistan	410
		Nigeria	290
Per capita income \$735–\$1,415		Zimbabwe ^d	NA
Serbia and Montenegro ^d	1,400		
Bosnia and Herzegovina	1,270		
Bolivia	900		

Income group and country	2002 GNI per capita ^a	Income group and country	2002 GNI per capita ^a
--------------------------	----------------------------------	--------------------------	----------------------------------

Countries eligible for IDA funds only^b

Per capita income \$1,416–\$2,935		Kenya	360
Maldives ^c	2,090	Sudan ^d	350
Samoa ^c	1,420	Mauritania	340
Per capita income \$735–\$1,415		Zambia	330
Tonga ^c	1,410	Lao People's Democratic Republic	310
Albania	1,380	Kyrgyz Republic	290
Cape Verde ^c	1,290	São Tomé and Príncipe	290
Vanuatu ^c	1,080	Gambia, The	280
Honduras	920	Cambodia	280
Djibouti	900	Tanzania	280
Guyana	840	Ghana	270
Sri Lanka	840	Togo ^d	270
Kiribati ^c	810	Central African Republic ^d	260
Armenia	790	Madagascar	240
Per capita income less than \$735		Mali	240
Georgia	720	Uganda	240
Congo, Republic of	700	Nepal	230
Angola	660	Rwanda	230
Côte d'Ivoire	610	Burkina Faso	220
Bhutan	590	Chad	220
Solomon Islands	570	Mozambique	210
Cameroon	560	Tajikistan	180
Yemen, Republic of	490	Niger	170
Lesotho	470	Eritrea	160
Senegal	470	Malawi	160
Moldova	460	Guinea-Bissau	150
Haiti ^d	440	Liberia ^d	150
Mongolia	440	Sierra Leone	140
Vietnam	430	Burundi	100
Timor-Leste	430	Ethiopia	100
Guinea	410	Congo, Democratic Republic of	90
Comoros	390	Afghanistan	NA
Benin	380	Myanmar ^d	NA
Bangladesh	360	Nicaragua	NA
		Somalia ^d	NA

NA Precise figures are not available.

a. World Bank Atlas methodology; per capita GNI (gross national income, formerly GNP) figures are in 2002 U.S. dollars.

b. Countries are eligible for IDA on the basis of (a) relative poverty and (b) lack of creditworthiness. The operational cutoff for IDA eligibility for fiscal 2004 is a 2002 GNI per capita of \$865, using Atlas methodology. To receive IDA resources, countries must also meet tests of performance. In exceptional circumstances, IDA extends eligibility temporarily to countries that are above the operational cutoff and are undertaking major adjustment efforts but are not creditworthy for IBRD lending. An exception has been made for small island economies (see footnote c).

c. An exception to the GNI per capita operational cutoff for IDA eligibility (\$865 for fiscal 2004) has been made for some small island economies, which otherwise would have little or no access to Bank Group assistance because they lack creditworthiness. For such countries IDA funding is considered case by case for the financing of projects and adjustment programs designed to strengthen creditworthiness.

d. Loans/credits in nonaccrual status as of June 30, 2003.

Table 6.2 World Bank Commitments, Disbursements, and Net Transfers in Africa, Fiscal 2002–2003

(millions of dollars)

Item	Congo, Democratic Republic of		Tanzania		Nigeria		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	454	500	230	402	230	427	3,737	3,793
Undisbursed balance	440	478	772	765	948	699	9,611	9,723
Gross disbursements	531	11	26	170	26	26	3,281	2,651
Repayments	228	—	17	7	205	196	1,059	606
Net disbursements	303	11	9	163	(179)	(170)	2,222	2,045
Interest and charges	143	—	5	16	73	79	523	373
Net transfer	160	11	4	147	(252)	(249)	1,699	1,672

— Zero

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Table 6.3 World Bank Commitments, Disbursements, and Net Transfers in East Asia and Pacific, Fiscal 2002–2003

(millions of dollars)

Item	China		Vietnam		Indonesia		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	1,145	563	368	593	584	303	2,311	1,774
Undisbursed balance	5,732	6,794	2,074	2,141	1,889	1,830	11,206	12,594
Gross disbursements	1,780	2,015	458	332	358	507	3,078	3,591
Repayments	2,845	1,532	2	2	1,184	956	7,353	3,435
Net disbursements	(1,065)	483	456	330	(826)	(449)	(4,275)	156
Interest and charges	570	725	12	9	816	911	2,030	2,457
Net transfer	(1,635)	(242)	444	321	(1,642)	(1,360)	(6,305)	(2,301)

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Tables

Table 6.4 World Bank Commitments, Disbursements, and Net Transfers in South Asia, Fiscal 2002–2003

(all credits, including HIPC)

Item	India		Pakistan		Bangladesh		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	1,523	2,190	295	800	554	321	2,919	3,508
Undisbursed balance	8,142	8,116	433	527	1,335	1,405	10,480	10,445
Gross disbursements	1,465	2,089	356	869	560	321	2,654	3,392
Repayments	3,196	1,467	335	310	123	104	3,736	1,934
Net disbursements	(1,731)	622	21	559	437	217	(1,082)	1,458
Interest and charges	470	504	154	170	52	49	705	745
Net transfer	(2,201)	118	(133)	389	385	168	(1,787)	713

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Table 6.5 World Bank Commitments, Disbursements, and Net Transfers in Europe and Central Asia, Fiscal 2002–2003

(millions of dollars)

Item	Turkey		Ukraine		Russian Federation		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	300	3,550	300	330	581	351	2,670	5,524
Undisbursed balance	2,552	4,002	591	347	1,761	1,519	9,168	9,980
Gross disbursements	788	1,679	27	301	209	376	2,483	3,824
Repayments	487	427	125	89	607	448	2,316	1,640
Net disbursements	301	1,252	(98)	212	(398)	(72)	167	2,184
Interest and charges	269	290	69	91	204	298	1,129	1,179
Net transfer	32	962	(167)	121	(602)	(370)	(962)	1,005

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Table 6.6 World Bank Commitments, Disbursements, and Net Transfers in Latin America and the Caribbean, Fiscal 2002–2003

(millions of dollars)

Item	Brazil		Argentina		Mexico		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	1,237	1,566	1,350	735	1,172	660	5,820	4,366
Undisbursed balance	3,218	3,852	1,630	1,902	2,678	3,133	11,436	12,770
Gross disbursements	1,747	497	1,587	1,190	1,269	813	6,778	3,778
Repayments	1,371	807	2,156	1,363	1,344	1,304	6,087	4,582
Net disbursements	376	(310)	(569)	(173)	(75)	(491)	691	(804)
Interest and charges	421	489	448	613	676	794	2,128	2,550
Net transfer	(45)	(799)	(1,017)	(786)	(751)	(1,285)	(1,437)	(3,354)

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Table 6.7 World Bank Commitments, Disbursements, and Net Transfers in Middle East and North Africa, Fiscal 2002–2003

(millions of dollars)

Item	Tunisia		Yemen, Republic of		Jordan		Total region	
	2003	2002	2003	2002	2003	2002	2003	2002
IBRD and IDA commitments	112	253	177	78	240	5	1,056	554
Undisbursed balance	665	615	539	415	197	127	3,559	3,351
Gross disbursements	142	227	87	69	162	48	666	632
Repayments	176	150	21	18	60	58	964	891
Net disbursements	(34)	77	66	51	102	(10)	(298)	(259)
Interest and charges	82	80	10	9	37	43	452	561
Net transfer	(116)	(3)	56	42	65	(53)	(750)	(820)

Note: The table shows the three countries with the largest lending commitments in the region over the past two fiscal years (2002 and 2003). Numbers have been rounded.

Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
AFRICA					
IDA BEAC Regional Payment System Technical Assistance Credit aims to increase efficiency and security of the payment system in the six member countries of the economic and monetary union of Central Africa through the implementation of regional payment mechanisms. Total cost: \$22.6 million.	FSE	7/30/02	2013/2042	11.7	14.5
ANGOLA					
IDA Emergency Demobilization and Reintegration Grant will focus on demobilization of 85,000 UNITA and 33,000 FAA ex-combatants, support their return into civilian life, and facilitate the reallocation of government expenditure from military to social and economic sectors. Total cost: \$33 million.	HDW	3/27/03	n.a.	24.0	33.0
IDA Economic Management Technical Assistance Credit aims to strengthen the Government's capacity to formulate analysis and implement sound policies in critical areas for the management of public resources. It will provide consultation, workshops, equipment, and on-the-job training. Total cost: \$20 million.	PREM	3/27/03	2013/2042	12.3	16.6
BENIN					
IDA Public Expenditure Reform Supplemental Adjustment Credit will benefit the economy and the population by providing financing to meet the country's increased requirements caused by an unanticipated decline in the international price of cotton. Total cost: \$10 million.	PREM	10/29/02	2013/2042	7.6	10.0
BURKINA FASO					
✦ IDA Transport Sector Investment and Maintenance Credit/Grant aims to increase the mobility possibilities for people and goods in a sustainable fashion. Improved rural transport will give better access for the poor to social infrastructure and to markets. Total cost: \$144.4 million.	PSI	4/8/03	n.a.	36.0c 30.9g	49.5 42.6
✦ IDA Competitiveness and Enterprise Development Technical Assistance Credit/Grant aims to improve economic competitiveness through utility reform and privatization, improving the investment climate and private sector development, and minimizing constraints to small and medium enterprise development. Total cost: \$34.3 million.	PSI	3/4/03	2013/2042	18.7c 4.1g	25.2 5.5
✦ IDA Development Learning Center Learning and Innovation Credit will test the viability of a distance learning institution (GDLN Program) to improve PRSP implementation and IDA-financed projects; and coordinate training institutions on national capacity-building policy. Total cost: \$2.3 million.	HDN	7/29/02	2012/2042	1.9	2.3
✦ IDA Second Poverty Reduction Support Credit will improve service delivery in selected line ministries, strengthen the fiduciary framework to promote accountability and transparency in the use of public and external funds, and strengthen the Government's capacity to manage public expenditure. Total cost: \$35 million.	PREM	7/11/02	2012/2042	28.1	35.0

(continued next page)

Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
BURUNDI					
<p>✦ IDA Second Social Action Supplemental Grant will provide additional financing to support community mobilization, small-scale community infrastructure subprojects, early childhood development through social services to preschool children, and rapid statistical surveys of socioeconomic conditions. Total cost: \$14.9 million.</p>	HDN	4/8/03	n.a.	10.3	14.2
<p>✦ IDA Second Health and Population Supplemental Grant will ensure basic health care services critical for successful implementation of activities under the HIV/AIDS credit. It will provide finances to build activities in the health sector and strengthen government capacity to perform these functions. Total cost: \$30.7 million.</p>	HDN	1/16/03	n.a.	7.2	9.5
<p>✦ IDA Economic Rehabilitation Credit will improve public and social services through promotion of accountability and transparency in the use of funds, and through reforms for sustained economic recovery and poverty reduction. Total cost \$54 million.</p>	PREM	8/29/02	2013/2042	40.8	54.0
CAMEROON					
<p>IDA Third Structural Adjustment Credit—IDA Reflow</p>	PREM	6/6/03	2008/2038	2.5	3.3
<p>✦ IDA Railway Concession Specific Investment Credit will benefit transport users and producers and consumers of products transported by rail. Private operation of the rail sector will reduce costs and support social and environmentally safe modes of transportation. Total cost: \$86.6 million.</p>	PSI	7/18/02	2012/2042	17.2	21.4
<p>IDA Douala Infrastructure Specific Investment Credit aims to benefit the general population through increased economic activity and lower unemployment stimulated by road rehabilitation and the provision of technical assistance for infrastructure development. Total cost: \$72 million.</p>	PSI	7/18/02	2012/2042	45.2	56.4
CAPE VERDE					
<p>IDA Growth and Competitiveness Credit aims to improve the welfare of the local population. Technical Assistance will allow the financial sector to deliver better services, broaden private participation in economic growth, and enhance private sector competitiveness, resulting in improved employment and pensions. Total cost: \$13.5 million.</p>	PSI	5/13/03	n.a.	8.5	11.5
<p>IDA Structural Adjustment Supplemental Credit aims to provide additional financing for restructuring to consolidate macroeconomic stabilization and to cover shortfalls caused by fast repayment of past government arrears to the private sector during economic recovery. Total cost: \$4 million.</p>	PREM	12/19/02	2013/2042	3.1	4.0
CHAD					
<p>✦ IDA Education Sector Reform Specific Investment Credit/Grant will benefit children of primary-school age and aims to develop the policy framework for quality universal basic education through expanding access to education and improving the quality of teaching and learning. Total cost: \$119.7 million.</p>	HDN	3/18/03	2013/2042	14.5c 17.5g	19.1 23.2

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IDA Fifth Structural Adjustment Credit will support reforms in the area of governance and public resource management as necessary conditions for improved service delivery to the poor. Three hundred thousand families will benefit from the reform process in the cotton sector. Total cost: \$40 million.</p>	PREM	3/18/03	2013/2043	29.6	40.0
<p>✦ IDA Critical Electricity and Water Services Rehabilitation Specific Investment Credit will rehabilitate and expand electricity and water systems to 12,000 families. It will support increased private sector participation in the sector and hopefully reduce costs to the consumer. Total cost: \$55.7 million.</p>	PSI	10/10/02	2013/2042	41.4	54.8
DEMOCRATIC REPUBLIC OF CONGO					
<p>✦ IDA Emergency Multi-sector Rehabilitation and Reconstruction Credit/Grant will improve the health of the population through reconstruction of infrastructure such as transport, water and electricity supply; and through the delivery of social services including education, health, and community development. Total cost: \$454 million.</p>	PSI	8/6/02	2012/2042	325.6c 33.2g	410.0 44.0
REPUBLIC OF CONGO					
<p>✦ IDA Emergency Recovery and Community Support Credit/Grant will benefit recovering communities living in smaller municipalities and rural areas by financing small-scale reconstruction works and involving local community organizations and NGOs. Targeted support will be given to economic reforms. Total cost: \$41 million.</p>	PREM	6/24/03	2013/2043	20.3c 9.5g	28.0 13.0
ERITREA					
<p>✦ IDA Education Sector Credit will benefit over 1 million children by introducing qualitative reforms in the education sector to ensure increased enrollment and by funding new materials and teacher training to improve the quality of basic and secondary education. Total cost: \$59.5 million.</p>	HDN	6/19/03	2013/2043	32.7	45.0
<p>✦ IDA Emergency Reconstruction Supplemental Grant aims to mitigate the effects of drought, and enhance the long-term reconstruction and economic recovery program by financing activities in land resources, agricultural support services, energy and roads, civil works, and focusing on zones most affected by drought. Total cost: \$15 million.</p>	HDN	6/19/03	n.a.	10.9	15.0
ETHIOPIA					
<p>✦ IDA Second Road Sector Development Phase I Adaptable Program Grant will benefit all road users and will reduce travel time and costs by financing projects to upgrade and construct federal roads. Economic growth and poverty alleviation will result from accessibility to transport infrastructure and basic social services. Total cost: \$219.3 million.</p>	PSI	6/17/03	n.a.	93.0	126.8
<p>✦ IDA Pastoral Community Development Adaptable Program Grant aims to improve livelihoods in the pastoral communities by fostering income growth, providing access to public services, and reducing vulnerability to drought. Community projects will receive financial and technical support in such areas as livestock, crops, water supply, health care, and education. Total cost: \$60 million.</p>	ESSD	5/20/03	n.a.	22.0	30.0

(continued next page)

Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IDA Emergency Drought Recovery Grant aims to help drought-affected families survive the crisis, protect productive assets, and develop sustainable livelihoods by creating communal assets using community labor and providing income supplements for the affected population. Total cost: \$60 million.</p>	ESSD	3/27/03	n.a.	43.5	60.0
<p>✦ IDA Social Rehabilitation and Development Fund I Supplemental Credit will help alleviate poverty by supporting community development projects through the provision of financial and technical resources, and increasing capacity to measure and monitor welfare programs. Total cost \$39.8 million.</p>	HDN	12/17/02	2013/2042	21.5	28.3
<p>IDA Energy Access Specific Investment Credit will provide 850,000 people with electricity and improved public services. Development of a long-term power strategy with capacity for private sector investment will improve local economies and support environmental concerns. Total cost: \$199.1 million.</p>	PSI	9/19/02	2012/2042	104.9	132.7
<p>IDA Capacity Building for Decentralized Service Delivery Technical Assistance Credit aims to enhance decentralized service delivery through public sector capacity building consisting of institutional reforms, restructuring, systems development, and training at federal, regional, and local levels. Total cost: \$29.2 million.</p>	PREM	7/23/02	2013/2042	20.7	26.2
GHANA					
<p>✦ IDA Poverty Reduction Support Credit/Grant will finance activities to promote growth, incomes and employment, human resource development, and reforms to strengthen public sector management in an effort to improve living conditions for the population. Total cost: \$125 million.</p>	PREM	6/24/03	2013/2043	63.9c 26.9g	88.0 37.0
<p>✦ IDA Promoting Partnerships with Traditional Authorities Learning and Innovation Credit will support two pilot groups in integrating rural communities with development activities. Knowledge gathered will help identify target sectors and access to sources of assistance. Total cost: \$5.5 million.</p>	ESSD	3/10/03	2013/2042	3.7	5.0
<p>✦ IDA Second Health Program Support Specific Investment Credit/Grant aims to reduce inequalities in health through support of the implementation of the 2002–06 Program of Work of the Ministry of Health by financing a portion of policy development and program activities. Total cost: \$1,113 million.</p>	HDN	2/6/03	2013/2042	43.5c 24.5g	57.3 32.3
GUINEA					
<p>✦ IDA Multi-Sectoral AIDS Specific Investment Grant aims to prevent new infections of HIV by giving support to community-based and private sector initiatives that educate the public and provide such services as voluntary testing and counseling, STI diagnosis and treatment, blood safety, condom access, and ARV treatment. Total cost: \$22.3 million.</p>	HDN	12/13/02	n.a.	15.4	20.3

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Decentralized Rural Electrification Learning and Innovation Credit will provide technical assistance to supply electricity to 20,000 households using renewable energy to benefit the environment. Maximum private sector involvement will increase access to services in rural and periurban areas. Total cost: \$17 million.</p>	PSI	7/2/02	2012/2042	4.1	5.0
KENYA					
<p>✦ IDA Arid Lands Resource Management Phase Two Credit will benefit the arid land population by empowering communities and fostering community projects, by strengthening drought preparedness and management systems, and by providing financing to support local arid land development. Total cost: \$77.9 million.</p>	ESSD	6/19/03	2013/2043	43.6	60.0
<p>✦ IDA Free Primary Education Support Credit will benefit primary-school-age children and will provide financing for improved textbooks and materials, improved curricula, and training programs to improve teacher effectiveness. Total cost: \$55 million.</p>	HDN	6/19/03	n.a.	36.7	50.0
IDA Economic and Public Sector Reform Credit—IDA Reflow	PREM	6/5/03	2010/2040	0.4	0.5
MADAGASCAR					
<p>✦ IDA Mineral Resources Governance Credit aims to strengthen governance and transparency in the management of mineral resources, particularly small-scale and artisanal mining, through institutional reforms, promotion of parallel treatment, private investment, and better project coordination and management. Total cost: \$38.7 million.</p>	PSI	5/13/03	n.a.	23.2	32.0
<p>IDA Emergency Economic Recovery Credit will benefit the population and provide quick disbursement of liquidity to support import requirements and reconstruction to rebuild the social, economic, and physical assets in this short-term recovery program. Total cost: \$50 million.</p>	PREM	11/14/02	2013/2042	38.0	50.0
<p>✦ IDA Rural Transport Adaptable Program Credit will benefit 6 million people in rural areas by rehabilitating 9,000 km of road; improving access to social infrastructure such as markets, schools, and health centers; and facilitating trade and economic exchange. Total cost: \$80 million.</p>	PSI	11/14/02	2012/2042	60.7	80.0
MALAWI					
<p>✦ IDA Third Social Action Fund Adaptable Program Credit/Grant will finance community-based initiatives that will support vulnerable individuals and assist them in coping with health, education, sanitation, water, energy, transportation, and food insecurity risks. Total cost: \$78.1 million.</p>	HDN	6/10/03	2013/2043	24.1c 20.0g	32.8 27.2
<p>✦ IDA Financial Management, Transparency, and Accountability Specific Investment Credit aims to improve the effective, transparent, and accountable use of public expenditures through capacity building of accounting, financial, and human capital development systems. Total cost: \$27.4 million.</p>	PREM	3/6/03	2013/2043	17.6	23.7

(continued next page)

Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IDA Emergency Drought Recovery Credit/Grant will support natural disaster management and prevent further macroeconomic decline triggered by the food crisis by providing financial assistance and supporting public works expansion and social investments. Total cost: \$82 million.</p>	ESSD	11/5/02	2013/2042	24.1c 15.9g	29.0 21.0
<p>IDA Supplemental Financing for the National Water Development Credit will benefit rural communities by improving water supply services. Construction of piped water supply schemes as well as 500 boreholes fitted with hand pumps will serve more than 350,000 people. Total cost: \$3.2 million.</p>	PSI	8/8/02	2005/2035	2.4	3.2
MOZAMBIQUE					
<p>✦ IDA HIV/AIDS Response Grant will assist the government in financing a plan to slow the spread of STD and HIV/AIDS through prevention, care, education, treatment, and mitigation activities involving community and civil society-led efforts. Total cost: \$64 million.</p>	HDN	3/28/03	n.a.	41.6	55.0
<p>✦ IDA Public Sector Reform Adjustable Program Grant will support the government's Public Sector Reform strategy, which seeks to improve quality of life through cost-effective provision of public services, better targeting of subsidies, and implementation of public policies to promote private sector development. Total cost: \$45 million.</p>	PREM	3/18/03	n.a.	19.4	25.6
<p>IDA Economic Management and Private Sector Adjustment Credit aims to regain macroeconomic stability and to achieve private sector-led growth, maintain high growth rates, reduce aid dependency, and increase social expenditures to achieve education and health goals. Total cost: \$120 million.</p>	PREM	8/29/02	2012/2042	96.2	120.0
NIGER					
<p>✦ IDA Multi-Sectoral STI/HIV/AIDS Support Grant aims to mitigate the medical, social, and economic impact of STI/HIV/AIDS through a multisectoral approach encompassing treatment and care, public and civil society response, capacity building, and project coordination and facilitation. Total cost: \$27.5 million.</p>	HDN	4/4/03	n.a.	18.2	25.0
<p>✦ IDA Community Action Program Adaptable Grant will benefit poor communities and stimulate economic growth by financing microprojects and local-level capacity-building efforts. Assisting the government to improve ecosystem management should raise health, education, and food security levels. Total cost: \$43.8 million.</p>	ESSD	3/20/03	n.a.	25.4	35.0
NIGERIA					
<p>✦ IDA Partnership for Polio Eradication Credit will target all children under five. The project supports government efforts to eradicate poliomyelitis by 2005 by funding additional vaccine supplies for the poor. Upon successful completion of the project, a trust fund financed by the Gates Foundation and Rotary International will buy down the Credit to grant terms. Total cost: \$157.1 million.</p>	HDN	4/29/03	n.a.	20.9	28.7

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Lagos Urban Transport Specific Investment Credit will benefit 12.8 million transport users by improving the management of the public transport sector network. Road networks and traffic systems will be rehabilitated with the establishment of a regulatory framework. Total cost: \$135 million.</p>	PSI	11/21/02	2013/2037	75.5	100.0
<p>IDA Universal Basic Education Specific Investment Credit will benefit children of primary-school age by improving the quality of schools, teachers, and equipment; increasing access to education through incentive schemes and strengthening community schools. Total cost: \$129 million.</p>	HDN	9/12/02	2013/2037	76.3	101.0
RWANDA					
<p>✦ IDA Multi-Country HIV/AIDS Grant aims to strengthen prevention measures to slow down the spread of HIV/AIDS and expand care to those infected, through a multisectoral approach involving public and private organizations and civil society. Total cost: \$32 million.</p>	HDN	3/31/03	n.a.	22.2	30.5
<p>IDA Institutional Reform Credit aims to improve public and social key services by strengthening capacity; to increase rural production by providing land tenure security; to stimulate private sector activity; and to create employment through better financial and infrastructure services. Total cost: \$85 million.</p>	PREM	12/3/02	2013/2042	64.5	85.0
SENEGAL					
<p>✦ IDA Private Investment Promotion Credit will stimulate 30,000 new jobs for rural and urban communities and create conditions to increase private participation in economic activities through financing of policy and sector reform and the regulatory interface between public and private sectors. Total cost: \$56.7 million.</p>	PSI	5/20/03	n.a.	33.8	46.0
SIERRA LEONE					
<p>✦ IDA Third Economic Rehabilitation and Recovery Credit will provide resources to decentralize and improve management of public resources, and to establish an environment for private sector-led investment stimulating economic growth. It will allow essential imports required for rehabilitation and reconstruction. Total cost: \$30 million.</p>	PREM	5/20/03	n.a.	22.0	30.0
<p>✦ IDA National Social Action Credit will assist war-affected communities in restoring infrastructure and services and building local capacity for collective action through community-driven subprojects, pilot programs to improve roads and other infrastructure, and technical assistance for project management. Total cost: \$42 million.</p>	HDN	4/24/03	n.a.	25.4	35.0
<p>✦ IDA Health Sector Reconstruction and Development Specific Investment Grant aims to provide finances to restore the health delivery system by increasing access to services, improving technical programs, involving civil society, and supporting the development of private health care. Total cost: \$21 million.</p>	HDN	2/25/03	n.a.	15.1	20.0

(continued next page)

Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>◇ IDA Rehabilitation of Basic Education Specific Investment Grant will benefit 700,000 children by providing funds to rehabilitate schools and education services. Teachers will benefit from training programs and relocation packages allowing them to resettle in their home villages. Total cost: \$42.1 million.</p>	HDN	2/25/03	n.a.	15.1	20.0
SOUTH AFRICA					
<p>IBRD Municipal Financial Management Technical Assistance Loan will support municipalities in implementing budgeting and financial management systems to achieve public finance reform and ensure efficient delivery of services at the local government level. Total cost: \$20 million.</p>	PSI	9/12/02	2007/2011	n.a.	15.0
TANZANIA					
<p>IDA Programmatic Structural Adjustment Credit—IDA Reflow</p>	PREM	6/27/03	2010/2040	0.3	0.4
<p>◇ IDA Poverty Reduction Support Credit/Grant will support the implementation of Tanzania's Poverty Reduction Strategy, with reforms that will focus on private sector development and public sector management, and that will promote environmental sustainability. Total cost: \$132 million.</p>	PSI	5/29/03	2013/2043	73.0c 23.4g	100 32
<p>◇ IDA Participatory Agricultural Development and Empowerment Credit aims to improve food production and incomes for small households and groups in about 840 villages. Small agricultural development subprojects planned and managed by community members will be supported and costs shared with participants and the private sector. Total cost: \$70 million.</p>	ESSD	5/27/03	2013/2043	41.5	56.6
<p>◇ IDA Dar es Salaam Water Supply and Sanitation Credit will provide reliable, affordable, and sustainable water supply services and improve sewerage and sanitation by rehabilitating existing water facilities, extending piped water supply, and upgrading existing commercial operations to industry standards. Total cost: \$164.6 million.</p>	PSI	5/27/03	2013/2043	45.0	61.5
UGANDA					
<p>◇ IDA Second Local Government Development Credit/Grant will finance a portion of budgets for policy development and operational activities to improve local government institutional performance and achieve sustainable, decentralized service delivery benefiting all Ugandans and their local jurisdictions. Total cost: \$165 million.</p>	PREM	5/29/03	2013/2043	36.7c 55.0g	50.0 75.0
<p>◇ IDA Northern Uganda Social Action Fund Specific Investment Credit will benefit around 30 percent of the population through community-driven development that will provide employment opportunities with initiatives to improve socioeconomic services and promote community reconciliation. Total cost: \$133.5 million.</p>	HDN	7/23/02	2012/2042	80.1	100.0
<p>IDA Second Poverty Reduction Support Credit will promote efficient use of public resources; reform public service; and promote rural development, agriculture, rural roads, rural finance, and natural resource management by supporting the implementation of Uganda's poverty reduction strategy. Total cost: \$150 million.</p>	PREM	7/23/02	2012/2042	120.2	150.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Protected Areas Management and Sustainable Use Specific Investment Credit will provide funds to attract tourists to Uganda's wildlife and cultural heritage while encouraging cost-effective management strategies benefiting communities in and around protected areas. Total cost: \$38 million.</p>	ESSD	7/9/02	2012/2042	21.7	27.0
<p>IDA Lake Victoria Environmental Management Specific Investment Supplemental Credit will benefit area communities by maximizing employment and income benefits, safe water, and a disease-free environment by better management of wetlands, fisheries, forestation, and industrial and municipal waste. Total cost: \$4.5 million.</p>	ESSD	7/9/02	2012/2042	3.6	4.5
ZAMBIA					
<p>IDA Second Economic Recovery and Investment Promotion Technical Assistance Supplemental Credit will support the government in completing the restructuring of Konkola Copper Mines and will provide technical assistance, equipment, and training for the privatization program. Total cost: \$10 million.</p>	PSI	6/17/03	2013/2043	7.3	10.0
<p>✦ IDA Copperbelt Environment Specific Investment Credit/Grant aims to address environmental liabilities associated with the mining sector following its privatization by financing priority environmental measures and strengthening existing regulatory institutions. Total cost: \$41.8 million.</p>	ESSD	3/20/03	2013/2043	14.1c 15.5g	19.0 21.0
<p>✦ IDA Zambia National Response to HIV/AIDS (ZANARA) Adaptable Program Grant will target high-risk groups with the aim of significantly increasing access to and use of HIV/AIDS prevention, care, and impact mitigation programs through education and community initiatives. Total cost: \$46 million.</p>	HDN	12/30/02	n.a.	33.7	42.0
<p>✦ IDA Emergency Drought Recovery Credit/Grant will respond to the recent drought crisis by providing support to prevent starvation and malnutrition; to provide water, transportation, health and sanitation services, and critical logistics, to keep children in school; and to support threatened livestock. Total cost: \$50 million.</p>	ESSD	11/19/02	2013/2042	22.8c 15.2g	30.0 20.0
<p>IDA Economic Recovery and Investment Promotion Technical Assistance Supplemental Credit, by providing advisory services, will assist the government in completing the privatization of the main utilities and parastatals in the power, energy, and telecommunications sectors. Total cost: \$7.5 million.</p>	PSI	9/19/02	2012/2042	5.6	7.5
Total				2,825.9	3,737.2

n.a. Not applicable.

✦ denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

Table 6.9 Summaries of Operations Approved during Fiscal 2003, East Asia and Pacific

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
CAMBODIA					
<p>✦ IDA Provincial and Periurban Water and Sanitation Credit/Grant will benefit towns and growing periurban areas by providing sustainable water supply and sanitation services through partnerships with the private sector, user groups, and local communities that will finance, operate, and maintain projects to improve environmental management and infrastructure. Total cost: \$23.4 million.</p>	PSI	4/22/03	2013/2042	12.4c 2.3g	16.9 3.0
<p>✦ IDA Rural Investment and Local Governance Project will benefit 7.8 million people in 1,110 communes by providing priority public goods. Funding for local planning and investment and policy support in project management will result in stronger local governance systems. Total cost: \$62.1 million.</p>	ESSD	4/22/03	2013/2043	16.1	22.0
<p>✦ IDA Health Sector Support Sector Investment and Maintenance Credit/Grant will benefit the poor in rural areas through a sectorwide management approach to develop accessible and affordable quality health services and control infectious diseases, such as malaria, dengue, tuberculosis, and HIV/AIDS. Total cost: \$31.8 million.</p>	HDN	12/19/02	2013/2042	13.1c 7.6g	17.2 9.8
CHINA					
<p>✦ IBRD Second Anhui Highway Specific Investment Loan aims to provide investment and assistance for the development of an efficient, safe, and cost-effective highway infrastructure with improved transport links benefiting the low-income southeastern area of Anhui. Total cost \$631.8 million.</p>	PSI	6/24/03	2010/2023	n.a.	250.0
<p>IBRD Shanghai Urban Environment Adaptable Program Loan will benefit city residents by investing in urban wastewater and solid waste management; urban planning and upgrading; metropolitan environmental management; and institutional strengthening, including environmental studies. Total cost: \$512.2 million.</p>	PSI	6/17/03	2009/2023	n.a.	200.0
<p>✦ IBRD Second Tianjin Urban Development and Environment Specific Investment Loan will improve the efficiency and equity of waste water management and transportation systems through the financing of waste water reuse, clean-up of sewage canals, and pollution management in suburban areas and bus ways. Total cost: \$335.5 million.</p>	PSI	5/20/03	2009/2023	n.a.	150.0
<p>✦ IBRD Yixing Pumped Storage Loan will benefit 75 million people by increasing the efficiency of the power sector in Jiangsu Province. It aims to restructure the sector to further competition and to construct a pumped storage plant. Total cost: \$582.7 million.</p>	PSI	3/20/03	2008/2023	n.a.	145.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IBRD Hubei Xiaogan Xiangfan Highway Specific Investment Loan will benefit 24 million people in Hubei province by providing a more effective, safe, and efficiently managed highway infrastructure to support socioeconomic development, trade, and regional integration and to improve road accessibility in low-income areas. Total cost: \$690.9 million.</p>	PSI	9/17/02	2008/2022	n.a.	250.0
<p>IBRD Third Xinjiang Highway Project will facilitate interregional trade by reducing road-user costs and improving traffic safety in this remote province. Poor counties in the province will benefit from improved access to social services and markets. Total cost: \$334.2 million.</p>	PSI	9/5/02	2008/2022	n.a.	150.0
INDONESIA					
<p>✦ IBRD/IDA Water Resources & Irrigation Sector Management Adaptable Program Loan/Credit^c will benefit rural communities and farmers, finance rehabilitation and improvement of existing irrigation schemes, and facilitate access to agricultural support services and microcredit. Total cost: \$115.6 million.</p>	ESSD	6/26/03	2009/2023	n.a.	25.0
		6/26/03	2013/2038	17.9	45.0
<p>✦ IBRD/IDA Third Kecamatan Development Loan/Credit^c aims to improve local-level governance in rural Indonesia by institutionalizing participatory processes and making cost-effective the provision of basic social and economic infrastructure to strengthen the capacity of the microfinance institutions to manage and monitor funds sustainably. Total cost: \$378.6 million.</p>	ESSD	6/26/03	2009/2023	n.a.	204.3
		6/26/03	2013/2038	32.2	45.5
<p>✦ IBRD Java Bali Power Sector Restructuring & Strengthening Loan^c will support the State power company in implementing financial and corporate restructuring to strengthen electricity supply systems and to prepare for restructuring of gas transmission and distribution operations. Total cost: \$211.6 million.</p>	PSI	6/26/03	2008/2023	n.a.	141.0
<p>✦ IBRD/IDA Health Workforce & Services Loan/Credit^c will provide financing to improve delivery of essential health services benefiting inhabitants of four provinces by providing wider access to care, better quality care and health at the district level, with strengthened workforce policy, management, and development in a decentralized context. Total cost: \$429.4 million.</p>	HDN	6/12/03	2008/2023	n.a.	31.1
		6/12/03	2013/2038	54.0	74.5
<p>✦ IBRD Private Provision of Infrastructure Technical Assistance Loan will benefit users of transport, telecommunications, and urban infrastructure by assisting the government in developing policy and regulatory reforms that will facilitate efficient and sustainable large-scale private investment in infrastructure. Total cost: \$19 million.</p>	PSI	5/22/03	2008/2023	n.a.	17.1
LAO PEOPLE'S DEMOCRATIC REPUBLIC					
<p>✦ IDA Sustainable Forestry for Rural Development Credit will benefit local communities in four provinces through grants and technical assistance to develop capacity for management of approximately 600,000 ha of forests and future sharing of forest revenues managed by government agencies and local communities. Total cost: \$16.5 million.</p>	ESSD	6/24/03	2013/2043	7.2	9.9

(continued next page)

Table 6.9 Summaries of Operations Approved during Fiscal 2003, East Asia and Pacific (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>◇ IDA Second Land Titling Credit will benefit 200,000 families who will receive land titles under the project, which aims to improve the security of land tenure and facilitate the development of land markets by development of land policies and strengthening of the national and local land institutions. Total cost: \$23.9 million.</p>	ESSD	6/24/03	2013/2043	10.8	14.8
MONGOLIA					
<p>◇ IDA Economic Capacity-building Technical Assistance Credit aims to assist the government with public sector management reforms that will benefit the population, including poor and vulnerable people. Technical and financial assistance will strengthen institutional capacity, systems, and processes for budget and civil service management. Total cost: \$7.8 million.</p>	PREM	6/24/03	2013/2043	5.5	7.5
PHILIPPINES					
<p>◇ IBRD KALAHI-CIDSS Specific Investment Loan will benefit 5,300 villages in 40 of the poorest provinces by providing resources to strengthen community participation and development in construction of local schools, health clinics, and water supply and sanitation facilities. Total cost: \$182 million.</p>	ESSD	9/17/02	2010/2022	n.a.	100.0
<p>◇ IBRD Second Agrarian Reform Communities Development Specific Investment Loan will benefit 70,000 farming households. Community capacity building, community-led investments in rural infrastructure, new agricultural technologies, and improved access to financial services will enhance their incomes and welfare. Total cost: \$74.8 million.</p>	ESSD	11/26/02	2011/2022	n.a.	50.0
<p>◇ IBRD ARMM Social Fund Specific Investment Loan will support community-driven projects for disadvantaged groups in 500 conflict-affected villages in the Autonomous Region of Muslim Mindanao, aimed at improving access to social, health, and education services; improving farm-to-market roads, employment, and capacity building for institutional strengthening and governance. Total cost: \$40.6 million.</p>	HDN	12/5/02	2011/2022	n.a.	33.6
SAMOA					
<p>IDA Telecommunications and Post Reform Technical Assistance Credit will provide competition and private participation in the sector through regulatory reforms and project management assistance. Improved postal services will benefit households and businesses. Total cost: \$6.3 million.</p>	PSI	12/17/02	2013/2042	3.4	4.5
VIETNAM					
<p>◇ IDA Second Poverty Reduction Support Credit aims to provide additional financial support for policy reforms in the structural, social, and governance areas, such as banking, state enterprise, trade, and private sector deregulation to create a more favorable economic environment for the private sector. Total cost: \$33.7 million.</p>	PREM	6/24/03	2013/2043	72.6	100.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
IDA Public Financial Management Reform Credit aims to strengthen capacity for budget planning, execution, and reporting through improved treasury and budget management, investment planning, and management of public debt. Improved service delivery and accountability will benefit the population of Vietnam. Total cost: \$71.5 million.	PREM	5/22/03	2013/2043	39.9	54.3
✦ IDA Vietnam Primary Education for Disadvantaged Children Credit aims to improve access to primary education and the quality of education for disadvantaged girls and boys in 38 provinces by providing technical and financial support that will also allow interventions for special education needs. Total cost: \$243.7 million.	HDN	5/6/03	2013/2043	101.4	138.8
Total				396.4	2,310.8

Special Financing

TIMOR-LESTE^d

✦ **IDA Transition Support Program Post Conflict Grant** will provide financing to establish a framework for poverty reduction planning, and develop an institutional and legal framework for open democratic governance, creating an enabling environment for the private sector. Total cost: \$27.3 million.

PSI	7/22/02	n.a.	n.a.	5.0
-----	---------	------	------	-----

✦ **IDA Timor-Leste Petroleum Technical Assistance Grant** will benefit the people of Timor-Leste and provide and encourage investment in the Bayu-Undan gas development. The grant is also enabling the drafting of sector legal, contractual, and fiscal arrangements. Total cost: \$0.2 million.

PSI	12/10/02	n.a.	n.a.	0.2
-----	----------	------	------	-----

IDA Timor-Leste Second Petroleum Technical Assistance Grant supports two key government divisions in managing the sector and revenues that will benefit the population of Timor-Leste and will develop a revised, legal, contractual, and fiscal framework for petroleum operations. Total cost: \$1.7 million.

PSI	6/18/03	n.a.	n.a.	1.3
-----	---------	------	------	-----

VIETNAM

IDA Phu My 2 Phase 2 Power Project is to develop, construct, and operate the combined cycle power facility by a private-sponsor consortium. The project is the first large build-operate transfer project to be financed by the private sector. The Bank has provided the IDA partial risk guarantee for the project. Total cost: \$480 million.

PSI	10/15/02	n.a.	n.a.	75.0
-----	----------	------	------	------

n.a. Not applicable.

✦ Denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

c. "Blend" loan/credit

d. Financing provided by trust funds administered by the Bank.

Table 6.10 Summaries of Operations Approved during Fiscal 2003, South Asia

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
AFGHANISTAN					
<p>◇ IDA Second Emergency Public Administration Grant aims to assist the government in enhancing transparency and accountability in the management of public resources to allow broad-based civil service reform that will improve basic service delivery to the population. Total cost: \$10.9 million.</p>	PREM	6/24/03	n.a.	6.1	8.4
<p>◇ IDA National Emergency Employment Program: Rural Roads Access Credit/Grant aims to rehabilitate rural infrastructure and provide employment for rural people, creating around 6 million unskilled labor days of employment and rehabilitating some 2,000 km of rural roads and 2,300 meters of bridges. Total cost: \$57 million.</p>	HDN	6/24/03	2013/2043	14.8c 13.6g	20.4 18.8
<p>◇ IDA Health Sector Emergency Reconstruction and Development Grant will help expand delivery of and ensure access to basic health services, particularly for women and children. It will help meet the emergency needs of the rural poor to reduce rates of infant and child mortality, maternal mortality, child malnutrition, and fertility. Total cost: \$59.6 million.</p>	HDN	6/5/03	n.a.	43.7	59.6
<p>◇ IDA Emergency Transport Rehabilitation Specific Investment Credit will help remove key transportation bottlenecks on an emergency basis and support the government's efforts in highway and civil aviation programs to facilitate economic and social recovery. Total cost: \$128.8 million.</p>	PSI	3/11/03	2013/2043	80.0	108.0
BANGLADESH					
<p>◇ IDA Telecommunications Technical Assistance Credit supports the government's efforts to enable competitive provision of telecommunications infrastructure and services. The project is expected to increase the reach of people-to-people access throughout the country. Total cost: \$11.1 million.</p>	PSI	6/19/03	2013/2043	6.7	9.1
<p>IDA Rural Transport Improvement Credit may benefit as many as 45 million rural inhabitants through the rehabilitation of around 3,000 kilometers of roads and 1,500 meters of missing minor bridges and culverts. It will work to improve around 150 markets and construct 45 river jetties, essential to rural transport and market facilities. Total cost: \$255 million.</p>	PSI	6/19/03	2013/2043	138.0	190.0
<p>◇ IDA Development Support Credit will support the Interim Poverty Reduction Strategy Paper (I-PRSP). The credit emphasizes initial actions that will help improve the investment climate and stimulate economic growth, such as promoting good governance, furthering the advancement of women, investing in human development, and ensuring social protection. Total cost: \$300 million.</p>	PREM	6/19/03	2013/2043	217.6	300.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Central Bank Strengthening Credit will help the Bangladesh Bank to effectively perform its role as regulator and supervisor for the country's banks and the monetary policy by undertaking human resource development, strengthening the legal framework, and building capacity for more effective regulation, supervision, and research. Total cost: \$46.1 million.</p>	FSE	6/19/03	2013/2043	27.2	37.0
<p>✦ IDA Social Investment Program Specific Investment Credit will help increase community ownership of local development initiatives by supporting government efforts and nongovernmental organizations to include those normally excluded from the decisionmaking process, particularly the poorest of the poor and women. Total cost: \$22.5 million.</p>	ESSD	3/18/03	2013/2043	13.5	18.2
INDIA					
<p>✦ IBRD Tamil Nadu Road Sector Specific Investment Loan will help 62 million people and will improve the quality, capacity, and safety of 750 km of road. By maintaining about 2,000 km of road, improving accident-prone locations, and providing for management of the network, it will benefit the state's infrastructure and investment climate. Total cost: \$450 million.</p>	PSI	6/17/03	2009/2023	n.a.	348.0
<p>✦ IDA Food and Drugs Capacity-Building Credit will help the government improve the regulatory oversight for quality and safety of food and drugs. Poor people will benefit from better quality food and drugs and from lower morbidity and premature mortality. Total cost: \$72.9 million.</p>	HDN	6/5/03	2013/2038	39.7	54.0
<p>✦ IDA Chhattisgarh District Rural Poverty Credit aims to help rural women and tribal people meet social and economic development objectives by funding infrastructure and income-generating activities and empowering active groups of disadvantaged people. Support to village governments will help them become more effective. Total cost: \$129.4 million.</p>	ESSD	4/24/03	2013/2038	82.2	112.6
<p>✦ IDA Andhra Pradesh Rural Poverty Reduction Specific Investment Credit aims to enable the rural poor to improve their livelihoods and quality of life by participating in decisions that affect their lives and livelihoods. The project expects to benefit more than 2 million households. Total cost: \$276.1 million.</p>	ESSD	2/20/03	2013/2038	114.0	150.0
<p>✦ IBRD Uttar Pradesh State Roads Specific Investment Loan will support improvements in the capacity, quality, and safety of the state's existing road network. Communities will benefit from increased access to health and education services, cheaper and more accessible goods and services, and access to markets and trading opportunities. Total cost: \$614.8 million.</p>	PSI	12/19/02	2008/2023	n.a.	488.0

(continued next page)

Table 6.10 Summaries of Operations Approved during Fiscal 2003, South Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IDA Technical/Engineering Education Quality Improvement Program Credit will help boost the quality of young technicians and engineers who will supply the skills required to foster greater competitiveness and productivity for the economy. The project will reach 100,000 students in 20 engineering schools in six states. Total cost: \$314 million.</p>	HDN	11/14/02	2013/2037	189.0	250.0
<p>IDA Reproductive and Child Health Supplemental Credit will continue support provided by the Reproductive and Child Health Project, which aims to reduce maternal and infant mortality, morbidity, and unwanted fertility. It will improve health care quality for underprivileged women and children in rural and urban areas. Total cost: \$309 million.</p>	HDN	9/5/02	2007/2032	10.0	12.0
<p>✦ IDA Andhra Pradesh Community Forest Management Credit will help 14 of the poorest tribal forest-dependent communities improve their livelihoods. Four million ha of forest land will be placed under their direct management, strengthening the legal framework governing community rights to timber and other forest products. Total cost: \$127.1 million.</p>	ESSD	7/16/02	2012/2037	85.5	108.0
NEPAL					
<p>IDA Community Schools Support Credit will support the transfer of management of public schools to communities. Community management of schools will contribute to enhanced participation, quality, efficiency, and accountability. The project will support incentive grants to about 1,500 schools. Total cost: \$5.2 million.</p>	HDN	6/25/03	2013/2043	3.6	5.0
<p>✦ IDA Power Development Credit/Grant will increase access to electricity for the rural population by connecting approximately 47,000 households. The project will also promote the development of Nepal's hydropower potential and encourage private participation to improve efficiency in the power sector. Total cost: \$133.4 million.</p>	PSI	5/22/03	2013/2043	36.8c 18.4g	50.4 25.2
<p>IDA Financial Sector Technical Assistance Credit will benefit the economy and the people of Nepal by providing support to the financial sector reform program that will create a commercially viable banking system overseen by a modern and effective Central Bank. Total cost: \$30.1 million.</p>	FSE	12/19/02	2013/2042	12.4	16.0
PAKISTAN					
<p>✦ IDA HIV/AIDS Prevention Credit/Grant will aim to prevent HIV/AIDS from becoming established in vulnerable populations and will attempt to avoid stigmatization. Within its National Strategic Framework for HIV/AIDS, the government hopes to prevent a widespread epidemic by acting early. Total cost: \$47.8 million.</p>	HDN	6/5/03	2013/2037	20.2c 6.7g	27.8 9.3
<p>✦ IDA National Education Assessment System Technical Assistance Credit will support the implementation of an education assessment system that will provide guidance to the teaching community in curriculum development and will provide parents with a better understanding of the value of the education being provided. Total cost: \$6.9 million.</p>	HDN	6/3/03	2013/2038	2.7	3.6

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Partnership for Polio Eradication Credit will allow the government to purchase oral polio vaccine. A partnership between the World Bank, the Bill and Melinda Gates Foundation, Rotary International, and the UN Foundation will then buy down the loan with funds from a trust fund established for this purpose. Total cost: \$40.8 million.</p>	HDN	5/15/03	2013/2038	14.7	20.0
<p>✦ IDA AJK Community Infrastructure and Services Credit will benefit low-income communities through the provision of cost-effective and sustainable community development schemes and basic infrastructure and services, using participatory, community-based approaches. Total cost: \$27.2 million.</p>	ESSD	7/9/02	2012/2037	16.1	20.0
<p>IDA Banking Sector Technical Assistance Credit supports broad financial reforms and measures initiated under the recent Financial Sector Deepening and Intermediation Project. The current project aims to transform the State Bank of Pakistan (SBP) into a professional, efficient, and modern institution. Total cost: \$30.3 million.</p>	FSE	7/9/02	2012/2037	21.3	26.5
<p>✦ IDA North West Frontier Province Structural Adjustment Credit supports the strengthening of provincial governance through reforming civil service, strengthening public health and education delivery systems, and facilitating financial management reform to help create a better business environment. Total cost: \$90 million.</p>	PREM	7/9/02	2012/2037	71.2	90.0
<p>✦ IDA Sindh Province Structural Adjustment Credit will support fiscal restructuring and financial management reforms and will improve delivery of public services through reform of the civil service, health, education, drinking water, and urban sectors along with regulatory, privatization, and infrastructure improvements. Total cost: \$100 million.</p>	PREM	7/9/02	2012/2037	79.1	100.0
SRI LANKA					
<p>✦ IDA Poverty Reduction Support Credit aims to promote economic growth and to widen opportunities for the poor by improving governance in the public sector, creating a safe and secure investment climate for greater private sector participation, and investing in human development and local community empowerment. It supports the government's Poverty Reduction Strategy, "Regaining Sri Lanka." Total cost: \$125 million.</p>	PREM	6/17/03	2013/2043	90.7	125.0
<p>✦ IDA Improving Relevance and Quality of Undergraduate Education Credit supports long-term tertiary education reform by building institutional capacity and improving the relevance and quality of the tertiary education system, thereby improving the employability of future graduates. Total cost: \$51 million.</p>	HDN	6/10/03	2013/2043	29.6	40.3
<p>✦ IDA Second Community Water Supply and Sanitation Grant will improve access to safe drinking water and sanitation for 1.2 million beneficiaries in poor rural areas, including those in conflict-affected zones. The project supports the country's commitment to provide safe drinking water and adequate sanitation to the entire population by 2010. Total cost: \$62.4 million.</p>	PSI	5/6/03	n.a.	28.9	39.8

(continued next page)

Table 6.10 Summaries of Operations Approved during Fiscal 2003, South Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✧ IDA Economic Reform Technical Assistance Credit will strengthen the government's capacity to implement economic reform by funding technical assistance aimed at modernizing and invigorating the economy and expanding the role of the private sector. It supports the government's Poverty Reduction Strategy, "Regaining Sri Lanka." Total cost: \$18.8 million.</p>	PSI	12/10/02	2013/2042	11.4	15.0
<p>✧ IDA National HIV/AIDS Prevention Grant will benefit highly vulnerable groups and the general population by limiting the spread of HIV and tuberculosis infections through education and empowerment programs. It will help reduce stigma and discrimination against people living with HIV/AIDS. Total cost: \$20.9 million.</p>	HDN	12/17/02	n.a.	9.6	12.6
Total				1,555.0	2,918.7

n.a. Not applicable.

✧ Denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
ALBANIA					
<p>IDA Road Maintenance Supplemental Credit will provide funding to improve the national road network. Maintenance and repair of 1,000 kms of road will reduce transportation costs on a priority section of the main road, reduce accident rates, and provide better access to basic services in rural areas. Total cost: \$16.2 million.</p>	PSI	6/26/03	2013/2023	9.5	13.0
<p>✦ IDA Second Community Works Credit will support community microprojects for improving access to quality social and economic infrastructure and social services. Financing for training and technical assistance programs will strengthen capacity of local government and communities. Total cost: \$24.2 million.</p>	ESSD	6/24/03	2013/2023	10.9	15.0
<p>✦ IDA Municipal Water & Wastewater Specific Investment Credit will support private sector participation in the provision of water and sanitation services by introducing an incentive-based multicity management contract approach. It will have a direct impact on the 350,000 people living in four municipalities. Total cost: \$21.9 million.</p>	PSI	1/28/03	2013/2022	11.4	15.0
ARMENIA					
<p>✦ IDA Fifth Structural Adjustment Credit will provide foreign exchange to support balance of payments and noninflationary budget financing. The credit will help maintain economic recovery and poverty reduction by eliminating administrative barriers for private sector development and advancing social sector reforms. Total cost: \$40 million.</p>	PREM	3/13/03	2013/2042	30.2	40.0
AZERBAIJAN					
<p>✦ IDA Irrigation Distribution and Management Improvement Specific Investment Loan will improve the effectiveness and financial viability of irrigation water distribution and management for 56,000 ha by providing training and support to water users associations and financing the rehabilitation of irrigation and drainage infrastructure. Total cost: \$39.1 million.</p>	ESSD	6/17/03	2013/2038	25.7	35.0
<p>IDA Education Sector Development Adaptable Program Credit seeks to increase learning achievements for all students and improve the efficiency of general education by providing financing to improve quality of curriculum, encourage teacher development, and provide better quality materials. Total cost: \$21 million.</p>	HDN	5/27/03	2013/2038	13.2	18.0
<p>IDA Greater Baku Water Supply Rehabilitation Credit will benefit the population by providing emergency repair equipment for structural damages caused by the recent earthquake to 60 kilometers of the water distribution network, and by providing a basis for longer term planning and recovery. Total cost: \$14.2 million.</p>	PSI	12/10/02	2013/2037	10.3	12.9

(continued next page)

Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
BOSNIA AND HERZEGOVINA					
<p>◆ IDA Social Insurance Technical Assistance Credit will help strengthen the effectiveness and efficiency of health and pension insurance systems by providing high-quality technical assistance and training to help implement existing reforms and to help design options for future social insurance reforms. Total cost: \$9.7 million.</p>	HDN	6/10/03	2013/2023	5.2	7.0
<p>◆ IDA Forest Development and Conservation Technical Assistance Credit aims to implement reforms in forestry organization and management expected to lead to better management, increased revenues from forest resources, and participatory approaches in forest and protected area land use planning through pilot learning activities. Total cost: \$5.1 million.</p>	ESSD	6/10/03	2013/2023	2.8	3.7
<p>◆ IDA Small-Scale Commercial Agriculture Development Specific Investment Credit will assist community-driven initiatives in the development of productive and profitable production systems with the aim of promoting private sector investment and credit, facilitating the export of agriculture products, and strengthening the physical and institutional infrastructure of rural communities. Total cost: \$14.1 million.</p>	ESSD	3/25/03	2013/2023	8.7	12.0
BULGARIA					
<p>◆ IBRD District Heating Specific Investment Loan will provide financing and expertise to improve the district heating services in the cities of Sofia and Pernik, benefiting the local population through improved and demand-driven services. It will also reduce energy and water losses, as well as improve air quality. Total cost: \$132.7 million.</p>	PSI	6/17/03	2008/2020	n.a.	34.2
<p>◆ IBRD Revenue Administration Reform Specific Investment Loan aims to assist the government in implementing a sustainable revenue collection system through the establishment of an economically efficient public revenue collection system that facilitates private sector development and complies with requirements for EU accession. Total cost: \$63 million.</p>	PREM	6/5/03	2008/2020	n.a.	34.2
<p>IBRD Programmatic Sector Adjustment Loan will help the government work toward its annual growth rate, poverty, and unemployment reduction objectives for 2005 and will help make progress toward EU accession by supporting human capital and strengthening social programs, focusing on education, health, pension reforms, and social assistance. Total cost: \$150 million.</p>	PSI	2/20/03	2009/2018	n.a.	150.0
<p>◆ IBRD Social Investment and Employment Promotion Specific Investment Loan will improve the standard of living for the long-term unemployed and ethnic minorities during changing economic and labor market conditions, by helping to create more than 700,000 employee days of labor through community-based initiatives and active labor services. Total cost: \$66.7 million.</p>	HDN	12/17/02	2007/2019	n.a.	50.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
CROATIA					
<p>✦ IBRD Pension System Specific Investment Loan will help all beneficiaries of public spending by improving the effectiveness and transparency of social contributions and personal income taxes, particularly for the new system of funded pensions. Total cost: \$35.6 million.</p>	HDN	7/18/02	2007/2017	n.a.	27.3
<p>✦ IBRD Real Property Registration and Cadastre Specific Investment Loan will help build an efficient land administration system. It will establish the first official real property registration system in Croatia, which will cover some 250,000 ha, involving 1.05 million parcels of land and benefiting more than 360,000 people. Total cost: \$37.2 million.</p>	ESSD	8/29/02	2008/2017	n.a.	25.7
GEORGIA					
<p>✦ IDA Second Social Investment Fund Credit aims to help local governments establish development plans and help poor communities to manage microprojects in a sustainable manner. Participating communities will benefit from improved social and economic infrastructure. Total cost: \$30.2 million.</p>	HDN	5/15/03	2013/2043	11.0	15.0
<p>IDA Social Investment Fund Supplemental Credit will benefit school children and staff. Educational facilities will be rehabilitated so that they can withstand future earthquakes. The rehabilitation will further the economic life of Tbilisi damaged during the April 25, 2002, earthquake. Total cost: \$6.2 million.</p>	HDN	3/13/03	2013/2043	3.7	5.0
<p>✦ IDA Forests Development Credit will benefit 70,000 people in the Central Caucasus, giving increased forest product revenues and better access to fuelwood. The rural population will benefit from better forest management systems that will work to maximize the potential of forests and to reduce rural poverty on an environmentally sustainable basis. Total cost: \$21.3 million.</p>	ESSD	8/1/02	2012/2042	12.6	15.7
<p>IDA Municipal Development and Decentralization Special Investment Credit will assist national and local levels of government in improving the delivery of services such as water supply, sewerage, solid waste collection, and road repair; funding training programs; and developing a lending program for local governments to rehabilitate local infrastructure. Total cost: \$30.9 million.</p>	PSI	8/1/02	2012/2042	15.4	19.4
<p>✦ IDA Primary Health Care Development Specific Investment Credit will strengthen coverage and quality of primary health care and base it on the model of family medicine/general practice. The health of the Georgian people will benefit from the prevention, early detection, and treatment of diseases. Total cost: \$24.8 million.</p>	HDN	8/1/02	2012/2042	16.1	20.3

(continued next page)

Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
KAZAKHSTAN					
<p>✦ IBRD Nura River Cleanup Specific Investment Loan will benefit the Nura River Basin population by cleaning up mercury pollution; providing a safe, secure, and cost-effective source of water; and restoring flow control in the river for flood management and ecological purposes. Total cost: \$67.8 million.</p>	ESSD	5/8/03	2008/2018	n.a.	40.4
KOSOVO					
<p>IDA Energy Sector Technical Assistance Grant will assist in developing capacity for a commercially sustainable exchange of power with the regional system, and optimizing utilization of existing generation capacity through economic dispatch. It will develop a regulatory framework for private investment. Total cost: \$1.5 million.</p>	PSI	6/17/03	n.a.	1.1	1.5
<p>IDA Fourth Economic Assistance Grant aims to provide financing and support to assist in the implementation of a structural reform agenda aimed at enhancing medium-term macrofiscal sustainability, sustaining adequate public service delivery in the face of declining donor support, and promoting private-sector driven growth. Total cost: \$5 million.</p>	PREM	6/17/03	n.a.	3.7	5.0
<p>✦ IDA Education Participation Improvement Grant will help improve children's access and educational attainment at primary and secondary education levels by providing grants to 50 percent of primary and secondary schools that will finance training, community outreach, materials, and improved education management systems. Total cost: \$4.6 million.</p>	HDN	5/13/03	n.a.	3.3	4.5
KYRGYZ REPUBLIC					
<p>IDA Governance Structural Adjustment Credit supports the government's program to finance reforms to improve transparency and responsiveness of the public sector and the ability of external stakeholders to hold it accountable; and increase efficiency, effectiveness, and accountability within the public sector. Total cost: \$20 million.</p>	PREM	5/15/03	2013/2043	14.7	20.0
<p>✦ IDA Governance Technical Assistance Credit aims to improve transparency and responsiveness of the public sector and enhance the ability of external stakeholders to hold it accountable; to increase efficiency, effectiveness and accountability. It will provide financing for technical assistance, modernization of the treasury, and improved project management. Total cost: \$10.2 million.</p>	PREM	5/15/03	2013/2043	5.8	7.8
LATVIA					
<p>IBRD Second Programmatic Structural Adjustment Loan will focus on institution building that will improve the credibility and effectiveness of the public sector to improve service delivery, support private sector growth, strengthen the economy against external shocks, and better prepare Latvia for EU accession. Total cost: \$20.2 million.</p>	PREM	9/10/02	n.a./2017	n.a.	20.2

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
MOLDOVA					
<p>✦ IDA Trade and Transport Facilitation in Southeast Europe is part of a regional program that aims to strengthen and modernize customs administrations and other border control agencies in six other countries by providing technical assistance and funding to improve operations and improve customs clearances with the introduction of new computerized systems. Total cost: \$9.7 million.</p>	PSI	6/10/03	2013/2043	5.3	7.2
<p>✦ IDA AIDS Control Grant aims to improve Moldova's health status by financing and assisting in prevention programs; by strengthening treatment, care, and support; by implementing a strategy for tuberculosis control; and by improving institutional capacity to better respond to HIV/AIDS, STIs, and TB. Total cost: \$5.7 million.</p>	HDN	6/10/03	n.a.	4.1	5.5
<p>✦ IDA Pilot Water Supply and Sanitation Credit aims to enhance the welfare of the population living in rural areas by providing funding for improved village water supply; technical and engineering services; and institutional strengthening to improve the quality, efficiency, and sustainability of water supply and sanitation services. Total cost: \$14 million.</p>	PSI	5/20/03	2013/2043	8.8	12.0
ROMANIA					
<p>✦ IBRD Electricity Market Specific Investment Loan will develop a wholesale electricity market through the investment and rehabilitation of existing substations and technical assistance to attract and sustain private sector participation in power sector renewal. Total cost: \$113.6 million.</p>	PSI	6/12/03	2008/2020	n.a.	82.0
<p>✦ IBRD Rural Education Specific Investment Loan will enable rural students to benefit from improved access to quality education, better quality materials, and improved teachers by providing funding for resources and training resulting in higher completion and transition rates. Total cost: \$91 million.</p>	HDN	5/6/03	2007/2020	n.a.	60.0
<p>✦ IBRD Forest Development Specific Investment Loan will benefit new forest owners and private land owners by establishing systems that will improve the sustainable management of state and private forests lands, decrease the level of degradation, and support increased productivity and competitiveness of forest industries. Total cost: \$31.9 million.</p>	ESSD	12/19/02	2008/2020	n.a.	25.0
<p>IBRD Private and Public Sector Institution Building Technical Assistance Loan will benefit the private sector and citizens by providing funding to complete remaining private sector actions and by targeting the majority of the resources to energy and public sector reforms, encouraging macroeconomic stabilization. Total cost: \$22.3 million.</p>	PSI	9/12/02	2007/2019	n.a.	18.6

(continued next page)

Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IBRD Second Private Sector Adjustment Loan will support reforms in the financial, state enterprise, energy, business, and social sectors. In the area of social protection and poverty reduction, the focus is on mitigating the social costs of adjustment by making social protection mechanisms more efficient and effective for those in need. Total cost: \$300 million.</p>	FSE	9/12/02	2007/2019	n.a.	300.0
RUSSIAN FEDERATION					
<p>◆ IBRD St. Petersburg Economic Development Structural Adjustment Loan will provide budget support to the city and finance rehabilitation of cultural assets designed to enhance the city's prospects for sustainable economic growth and allow it to exploit its position as Russia's "Window to the West." Total cost: \$239.8 million.</p>	PSI	5/15/03	2008/2020	n.a.	161.1
<p>◆ IBRD Customs Development Specific Investment Loan will provide financing to modernize customs administration and promote acceptable practices for trade flows, increase taxpayer compliance with the Customs Code, and ensure uniformity in its application. It will support macroeconomic stability and increase transparency and efficiency of customs operations. Total cost: \$187.2 million.</p>	PREM	4/22/03	2008/2020	n.a.	140.0
<p>◆ IBRD Tuberculosis and AIDS Control Specific Investment Loan aims to contain the growth of the epidemics of tuberculosis and HIV/AIDS through financing of improved monitoring and treatment programs and strategies for HIV/AIDS control. Total cost: \$286.2 million.</p>	HDN	4/3/03	2008/2020	n.a.	150.0
<p>IBRD Health Reform Implementation Specific Investment Loan will strengthen the capacity of the federal institutions, particularly the Ministry of Health, in the stewardship of health sector reform in Russia. It will support regional-level initiatives aimed at improving the equity and efficiency of health services, including the testing of federal guidelines at the regional level. Total cost: \$41.2 million.</p>	HDN	3/18/03	2008/2020	n.a.	30.0
<p>IBRD Second Tax Administration Modernization Specific Investment Loan will support the continuation of systematic reform and modernization of the tax administration, improving administrative efficiency, tax legislation, and fairness in the implementation of tax laws outlined in the country's new tax code. Total cost: \$158 million.</p>	PREM	10/24/02	2008/2019	n.a.	100.0
SERBIA AND MONTENEGRO					
<p>IDA Second Private and Financial Sector Adjustment Credit will support the governments of Serbia and Montenegro in the implementation of regulatory, institutional, and structural reforms seeking to significantly accelerate private sector-led growth and job creation in a healthier financial system. Total cost: \$80 million.</p>	FSE	6/10/03	20013/2023	58.7	80.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IDA Health Credit aims to help finance restructuring of health services to develop a sustainable, performance-oriented health care system where providers are rewarded for quality and efficiency and where health insurance coverage ensures access to affordable and effective care. Total cost: \$23.5 million.</p>	HDN	5/22/03	20013/2023	14.7	20.0
<p>✦ IDA Employment Promotion Learning and Innovation Credit will pilot and test new approaches and cost-effective labor redeployment programs and innovative services for the unemployed. Such labor market reform will reduce the negative impact of labor restructuring on affected workers and communities. Total cost: \$5.5 million.</p>	HDN	5/5/03	20013/2023	2.0	2.8
<p>✦ IDA Social Sector Adjustment Credit seeks to support the implementation of reforms in social protection, labor, and health. It will provide financing that will continue to provide core benefits and services to the poor population. Total cost: \$80 million.</p>	HDN	4/22/03	20013/2023	60.4	80.0
<p>IDA Privatization and Restructuring of Banks and Enterprises Technical Assistance Credit will facilitate private sector–led economic growth by restructuring the privatization process of some of the most problematic, large, socially owned enterprises. It will also implement a comprehensive banking sector restructuring strategy to make a more viable financial sector. Total cost: \$15 million.</p>	PSI	12/10/02	2013/2022	8.4	11.0
<p>IDA Emergency Stabilization of Electricity Supply in the Republic of Montenegro Learning and Innovation Credit will test consumer response rates to remote metering, automated billing, and demand-side management in pilot areas, to assess financial impacts of a distribution program, the impact of changes on institutional capacity, and responsiveness to alternative service practices. Total cost: \$7 million.</p>	PSI	8/15/02	2012/2022	3.8	5.0
<p>IDA Structural Adjustment Credit (Republic of Montenegro) will support the government's reform program and will tackle fiscal imbalances through reforms in five areas (public expenditure management, the pension system, the energy sector, labor markets, and the business environment) to enhance medium-term fiscal sustainability and to benefit the population as a whole. Total cost: \$15 million.</p>	PREM	8/8/02	2012/2022	11.9	15.0
<p>IDA Export Finance Facilitation Credit will create an export credit agency to enhance trade and export activities. Exporters will benefit from financing, security, and technical assistance needed to enter new international markets. It will provide equipment and raw materials to industry, thereby increasing economic growth. Total cost: \$31.5 million.</p>	PREM	7/18/02	2012/2022	9.1	11.5

(continued next page)

Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
SLOVAK REPUBLIC					
<p>✦ IBRD Public Finance Management Technical Assistance Loan aims to strengthen Slovakia's institutional capacity to use public resources more effectively, efficiently, and transparently, in line with government priorities. It will assist in improving budget processes, macroeconomic analysis, and debt management capacity. Total cost: \$6.5 million.</p>	PREM	6/10/03	n.a.	n.a.	5.5
TAJKISTAN					
<p>✦ IDA Education Modernization Credit/Grant will benefit students, education staff, parents, and community members, and will provide funds to improve the education system and support the process of rebuilding through community-driven initiatives that will help develop local and district capacity. Total cost: \$24.2 million.</p>	HDN	5/15/03	2013/2043	9.5c 5.2g	13.0 7.0
TURKEY					
<p>✦ IBRD Second Basic Education Adaptable Program Loan will give increased access to and better quality of education for children of low-income families and children with special needs. It will support the expansion of preschool education, which is designed to help children from educationally deprived households succeed in basic education. Total cost: \$356.9 million.</p>	HDN	7/16/02	2007/2017	n.a.	300.0
UKRAINE					
<p>✦ IBRD Rural Land Titling and Cadastre Development Specific Investment Loan aims to improve the security and transferability of property rights for both rural and urban populations through the financing of institutional development and legal reform, training, cadastre system development, and raising public awareness. Total cost: \$350.5 million.</p>	ESSD	6/24/03	2009/2023	n.a.	195.1
<p>✦ IBRD First State Tax Service Modernization Adaptable Program Loan seeks to establish a sustainable state revenue system, including voluntary compliance by taxpayers and third-party payers. The population will benefit from a competent, honest, and equitable administration by the State Tax Service; and a growing and efficient enterprise sector. Total cost: \$85.6 million.</p>	PREM	6/5/03	2009/2023	n.a.	40.0
<p>✦ IBRD E-Development Technical Assistance Loan aims to enhance efficiency of the government's decisionmaking process for public procurement and documentation flow, foster private sector development, and strengthen civil society through the financing of innovative models of information and communication technologies solutions. Total cost: \$6 million.</p>	PSI	5/6/03	2008/2023	n.a.	5.0
<p>✦ IBRD Tuberculosis and HIV/AIDS Specific Investment Loan will support tuberculosis control and an HIV/AIDS program focused on preventing transmission of the disease among high-risk groups. The project would contribute to reduced poverty and discrimination for the poor and marginalized populations who are most affected. Total cost: \$77 million.</p>	HDN	12/19/02	2008/2023	n.a.	60.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
UZBEKISTAN					
✦ IBRD/IDA Drainage, Irrigation, and Wetlands Loan/Credit^c aims to increase productivity of irrigated agriculture, employment, and incomes in Karakalpakstan, and to improve the quality of the Amu Darya River by financing the safe disposal of drainage effluent and irrigation improvements. Total cost: \$74.6 million.	ESSD	6/19/03	2008/2023 2013/2038	n.a. 18.4	35.0 25.0
Total				435.6	2,670.0

n.a. Not applicable.

✦ Denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

c. "Blend" loan/credit

Table 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
ARGENTINA					
IBRD Economic and Social Transition Structural Adjustment Loan will benefit low-income families by financing deficit reduction efforts, elimination of quasi-monies, regularization of salary payments to teachers, increased budget allocations for health and safety net programs, and support to restore growth in the provinces. Total cost: \$500 million.	PREM	5/22/03	2006/2018	n.a.	500.0
✦ IBRD Heads of Households Specific Investment Loan is a social safety net that will benefit 2 million people, including children, in families headed by poor and unemployed workers. The heads of households must engage in work or training in order to receive a monthly cash transfer. Total cost: \$1,987 million.	HDN	1/28/03	2008/2016	n.a.	600.0
BOLIVIA					
✦ IDA Decentralized Infrastructure for Rural Transformation Adaptable Program Loan will benefit more than 15,000 low-income households that will receive electricity, and more than 25,000 new cell phone users in rural towns by funding decentralized models that will increase access and promote private sector and community involvement. Total cost: \$38.8 million.	PSI	6/17/03	2013/2023	15.0	20.0
✦ IDA Social Safety Net Structural Adjustment Credit will benefit millions of low-income Bolivians by sustaining financing for health, education, and social safety net programs during the country's economic difficulties. Total cost: \$107 million.	HDN	6/17/03	2013/2023	25.4	35.0
✦ IDA Second Programmatic Structural Adjustment Credit for Decentralization will benefit all Bolivians by providing financing to strengthen governance and the regulatory framework and to encourage community participation in efforts to improve the efficiency, transparency, and accountability of newly decentralized government entities. Total cost: \$25 million.	PREM	6/17/03	2013/2023	18.0	25.0
BRAZIL					
✦ IBRD Bahia Education Adaptable Program Loan—Second Phase will benefit more than 2 million young people by improving quality of and access to primary and secondary schools, and by providing equipment and furniture to schools, guiding education development plans, and strengthening educational management. Total cost: \$100 million.	HDN	6/27/03	2008/2018	n.a.	60.0
✦ IBRD AIDS & STD Control III Loan will benefit all Brazilians, high-risk groups, and people living with HIV/AIDS by improving their quality of life through antiretroviral therapy, upgrading existing technology, care for those infected, and support for human rights issues. Total cost: \$200 million.	HDN	6/26/03	2008/2018	n.a.	100.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>IBRD Energy Sector Technical Assistance Loan aims to provide 2.5 million poor rural households with electricity by providing technical assistance for market development and regulation, environmental management, and long-term expansion planning. This operation focuses on the power and gas sector. Total cost: \$20.1 million.</p>	PSI	6/24/03	2008/2018	n.a.	12.1
<p>IBRD Second Programmatic Fiscal Reform Loan supports fiscal policy reforms that benefit all Brazilians by reducing macroeconomic vulnerability. Macroeconomic planning, debt control, fiscal transparency, capacity building, and tax administration improvements should contribute to broad-based, equitable, and sustainable growth. Total cost: \$404 million.</p>	PREM	6/12/03	2009/2013	n.a.	404.0
<p>✦ IBRD Bahia Health System Reform Adaptable Program Loan will improve access for the poor to basic health services while improving distribution of public services and the efficiency and quality of public expenditures by providing technical assistance, financing reforms, and the expansion of basic care. Total cost: \$50 million.</p>	HDN	6/12/03	2009/2013	n.a.	30.0
<p>✦ IBRD Recife Upgrading Loan aims to improve living conditions for more than 1.2 million slum-dwellers in Recife by funding subprojects to improve the local parks, roads, drainage, sewerage, and water distribution systems, expanding access to these services for inhabitants. Total cost: \$84 million.</p>	PSI	4/24/03	2008/2017	n.a.	46.0
<p>IBRD Programmatic Human Development Sector Reform Loan will benefit millions of poor Brazilians by improving the quality and reach of public spending in education, health, and social assistance and protecting the poorest and most vulnerable groups from the impact of economic crises. Total cost: \$505.1 million.</p>	HDN	2/25/03	2011/2013	n.a.	505.1
<p>✦ IBRD CAIXA Water Sector Modernization Specific Investment Loan supports improvements in the efficiency of the water sector, including expanded water supply and sewerage service in the northern, northeastern, and central-western regions, benefiting more than 1 million people with new water connections. Total cost: \$125 million.</p>	PSI	12/12/02	2008/2017	n.a.	75.0
<p>✦ IBRD Municipal Pension Reform Specific Investment Loan will address critical pension problems in 26 of Brazil's municipalities and help the Ministry of Social Security provide technical assistance to monitor and evaluate pension management and to validate performance. Total cost: \$10 million.</p>	PREM	7/25/02	2007/2017	n.a.	5.0
<p>CHILE</p> <p>IBRD Science for the Knowledge Economy Adaptable Program Loan will benefit all Chileans as it strengthens development of science and technology, spreads innovation, and increases competitiveness and economic growth through the funding of research in science and technology. Total cost: \$50.3 million.</p>	HDN	5/22/03	n.a.	n.a.	25.3

(continued next page)

Table 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
COLOMBIA					
<p>IBRD Programmatic Financial Sector Adjustment Loan will strengthen Colombia's financial system by consolidating the state-owned banking sector to reduce fiscal exposure, introducing a framework that will allow diversification in the mortgage sector, and providing funding to the microcredit and capital markets sectors to improve the economy's ability to withstand external shocks. Total cost: \$150 million.</p>	FSE	4/24/03	2014/2014	n.a.	150.0
<p>IBRD Programmatic Fiscal and Institutional Structural Adjustment Loan will benefit the poor by supporting macroeconomic stability in Colombia and helping the public administration deliver better services to achieve peace, create jobs, and expand education and social services. Total cost: \$300 million.</p>	PREM	3/18/03	2010/2016	n.a.	300.0
<p>✦ IBRD Bogotá Urban Services Specific Investment Loan will help improve urban infrastructure and services in Bogotá by increasing access and quality of transportation, water, sanitation, and other basic services, benefiting 600,000 low-income residents who live in the poorest neighborhoods. Total cost: \$272.7 million.</p>	PSI	3/13/03	2008/2020	n.a.	100.0
<p>IBRD Higher Education Financing Reform Loan will benefit economically disadvantaged undergraduate and graduate students by establishing strategic partnerships that can provide an improved student loan system facilitating access to tertiary education. Total cost: \$287.7 million.</p>	HDN	12/23/02	2010/2015	n.a.	200.0
<p>✦ IBRD Social Sector Adjustment Loan will benefit Colombia's poor by strengthening social protection, expanding immunization and health insurance coverage, and improving transparency and citizen oversight of government social programs. Total cost: \$545 million.</p>	HDN	8/1/02	2007/2017	n.a.	155.0
DOMINICAN REPUBLIC					
<p>✦ IBRD Health Reform Support Adaptable Program Loan will extend primary health care services to 2.3 million Dominicans, including 1.7 million living in poverty, and is expected to reduce maternal and infant deaths. It will implement health sector reform legislation and provide funding for health systems. Total cost: \$42.7 million.</p>	HDN	6/26/03	2008/2020	n.a.	30.0
<p>✦ IBRD Early Childhood Education Loan will support the delivery of educational services to about 20,000 children, and seeks to raise school enrollment among five-year-olds from 71 percent to 86 percent by 2007, while reducing dropout and repetition rates. Total cost: \$62 million.</p>	HDN	9/5/02	2008/2019	n.a.	42.0
ECUADOR					
<p>✦ IBRD Programmatic Human Development Reform Loan will benefit more than 750,000 mothers by supporting health care services, providing nutrition supplements to three-quarters of the country's primary schoolchildren, and ensuring income security for some 4.5 million poor and elderly people. Total cost: \$50 million.</p>	HDN	5/27/03	2009/2025	n.a.	50.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IBRD Fiscal Consolidation and Competitive Growth Adjustment Loan will benefit all Ecuadorians by supporting the government's overall effort to reduce poverty through tax reform, budget transparency, an improved civil service system, and debt management to promote growth and competitiveness. Total cost: \$50 million.</p>	PREM	5/27/03	2009/2025	n.a.	50.0
EL SALVADOR					
<p>✦ IBRD Judicial Modernization Loan will benefit all Salvadorans by modernizing the justice system, improving transparency and credibility, and giving access to judicial services, thereby deterring crime, stimulating competitiveness in commerce, and offering legal protection. Total cost: \$24.1 million.</p>	PREM	8/1/02	2008/2018	n.a.	18.2
GRENADA					
<p>IBRD/IDA (OECs) Education Development Adaptable Program Loan/Credit^c will benefit secondary-school-age children by providing equitable access to secondary education and financing of programs to improve the quality of education, especially in literacy and numeracy skills. Total cost: \$11 million.</p>	HDN	6/27/03	2008/2018	n.a.	4.0
			2013/2038	2.9	4.0
<p>✦ IBRD/IDA HIV/AIDS Prevention and Control Specific Investment Loan/Credit^c aims to reduce new HIV infections and death rates; improve the quality of life for people affected through care and treatment; promote behavior change, prevention, and control; and establish new leadership councils. Total cost: \$7.2 million.</p>	HDN	7/25/02	2008/2017	n.a.	3.0
			2012/2037	2.4	3.0
GUATEMALA					
<p>✦ IBRD Western Altiplano Natural Resources Management Loan aims to provide rural households, community groups, and local authorities with instruments to improve rural incomes and create incentives for increasing sustainable production practices by financing community efforts and increasing social capital around natural resources management. Total cost: \$55.6 million.</p>	ESSD	5/1/03	n.a.	n.a.	32.8
<p>✦ IBRD Second Main and Rural Roads Project will give more than 500,000 residents of an impoverished, isolated rural area in Guatemala quicker access to markets, schools, health clinics, and other key facilities by way of new and upgraded rural roads supported by this project and broadening of community participation. Total cost: \$63.7 million.</p>	PSI	5/6/03	n.a.	n.a.	46.7
GUYANA					
<p>✦ IDA Poverty Reduction Support Credit seeks to stimulate economic growth through transparency and accountability; reforms in the public sector, including taxation, financial, sugar, and water sector reforms; a new education strategy; and expanded efforts to combat HIV/AIDS. Total cost: \$12 million.</p>	PREM	12/17/02	2013/2042	9.1	12.0
<p>✦ IDA Public Sector Technical Assistance Credit will benefit all Guyanese by strengthening the government's capacity to manage and monitor implementation of the poverty reduction strategy by strengthening fiduciary management and institutional capacity, and by improving social services. Total cost: \$5.3 million.</p>	PREM	12/17/02	2013/2042	3.6	4.8

(continued next page)

Table 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
HONDURAS					
IDA Financial Sector Technical Assistance Credit will benefit Hondurans who rely on financial and banking services as it supports the government's efforts to design and implement a bank consolidation program, reform the payments system, and strengthen institutions so that the economy is better able to withstand economic and financial shocks. Total cost: \$11 million.	FSE	6/24/03	2013/2043	7.2	9.9
✦ IDA Regional Development in the Copán Valley Loan will benefit approximately 141,000 residents of the Copán Valley by creating investment and employment opportunities through financing of archeological parks and sites, developing new income-generating initiatives, and strengthening the local investment climate to develop cultural management and planning. Total cost: \$13.4 million.	ESSD	5/20/03	2013/2043	8.8	12.0
JAMAICA					
IBRD Second Bank Restructuring and Debt Management Program Adjustment Loan will support the divestment of the government's equity stakes in National Commercial Bank and Life of Jamaica; and will support completion of the new legal, regulatory, and supervisory framework for Jamaica's financial sector. Total cost: \$75 million.	FSE	10/24/02	2009/2018	n.a.	75.0
✦ IBRD National Community Development Loan will benefit the disadvantaged by providing temporary jobs, infrastructure, and social and economic amenities. Communities will be encouraged to work together through funds allocated to community-based contracts. Total cost: \$29.8 million.	PSI	10/24/02	2008/2019	n.a.	15.0
✦ IBRD Reform of Secondary Education Loan II will provide high-quality teaching and adequate facilities in all secondary schools to help students and ensure that those from disadvantaged families have equal access to secondary schooling. Total cost: \$63 million.	HDN	10/24/02	2008/2019	n.a.	39.8
MEXICO					
IBRD Rural Finance Development Structural Adjustment Loan supports the reform of Mexico's development banking sector, specifically the liquidation of Mexico's Banrural and its replacement by a new rural finance institution, benefiting farmers and small and medium enterprises. Total cost: \$505.1 million.	FSE	6/12/03	2013/2013	n.a.	505.1
IBRD Programmatic Environment Structural Adjustment Loan will benefit the poor by supporting sustainable development through decentralized federal environmental management functions balanced with socioeconomic development. Total cost: \$202 million.	ESSD	8/6/02	2013/2013	n.a.	202.0
✦ IBRD Municipal Development in Rural Areas Specific Investment Loan will benefit 5.8 million people in four Mexican states by providing project funds to rural municipalities for water supply, sanitation, electrification, rural roads, and construction of schools and health centers. Total cost: \$633.4 million.	ESSD	7/16/02	2008/2017	n.a.	400.0

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IBRD Savings and Credit Sector Strengthening and Rural Microfinance Capacity-building Technical Assistance Loan will benefit 60,000 rural families by strengthening savings and credit institutions on which they depend for financial services, giving access to credit and money sent from relatives abroad. Total cost: \$85.4 million.</p>	ESSD	7/2/02	2008/2017	n.a.	64.6
NICARAGUA					
<p>✦ IDA Nicaragua Off-Grid Rural Electrification Credit will fund the generation and distribution of electrical power in areas not reached by the existing grid. Some 16,000 households in isolated, rural communities in the Central and Atlantic regions of Nicaragua will have electricity for the first time. Total cost: \$23 million.</p>	PSI	5/15/03	2013/2043	8.8	12.0
<p>✦ IDA Programmatic Structural Adjustment Credit aims to attract foreign investment; strengthen regulation of the financial system; expand and improve primary education, rural health services, water and sanitation; and improve public sector financial management, civil service, and administration of donor contributions. Total cost: \$15 million.</p>	PREM	3/13/03	2013/2042	11.4	15.0
PERU					
<p>✦ IBRD Trade Facilitation and Productivity Improvement Technical Assistance Loan will benefit small and medium-sized exporters. New jobs will be created and technical assistance will encourage private sector partnerships, test alternative schemes to increase productivity, and improve processes to gain greater access to overseas markets. Total cost: \$24 million.</p>	PSI	6/5/03	2011/2017	n.a.	20.0
<p>✦ IBRD Rural Education and Teacher Development Adaptable Program Loan aims to increase access to preschool programs, as well as to primary and secondary schools, by financing new investment, such as an innovative distance-education strategy for cost-effective expansion of secondary education. Total cost: \$94.2 million.</p>	HDN	5/29/03	2011/2017	n.a.	52.5
<p>IBRD Lima Water Rehabilitation and Management Supplemental Loan supports expansion of water and sanitation services to 130,000 people in unserved, low-income neighborhoods of Lima. Total cost: \$29.4 million.</p>	PSI	2/25/03	n.a.	n.a.	20.0
<p>IBRD Programmatic Social Reform Loan II will benefit the poor populations in Peru by improving access to social programs, establishing protection mechanisms, promoting transparency in social spending, and empowering communities to participate in decisionmaking. Total cost: \$100 million.</p>	HDN	9/17/02	2008/2019	n.a.	100.0
<p>✦ IBRD National Rural Water Supply and Sanitation Specific Investment Loan will provide access to water and sanitation services for 1.3 million people in rural areas through construction, rehabilitation, and expansion of existing systems, and by providing guidance to implementing agencies. Total cost: \$80 million.</p>	PSI	8/29/02	2011/2016	n.a.	50.0

(continued next page)

Table 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
ST. KITTS AND NEVIS					
IBRD HIV/AIDS Prevention and Control Adaptable Program Loan supports HIV/AIDS prevention programs among high-risk groups and the general population by financing treatment, care, and support for persons living with HIV/AIDS, and strengthening the country's institutional capacity to respond to the epidemic. Total cost: \$4.5 million.	HDN	1/10/03	2008/2017	n.a.	4.1
TRINIDAD AND TOBAGO					
✦ IBRD HIV/AIDS Prevention and Control Adaptable Program Loan will help reduce HIV infection by about 50 percent, to an incidence of 450 per million through financing of prevention, treatment, and education programs, while cutting active HIV/AIDS by about 10 percent and enabling people with AIDS to live longer. Total cost: \$25 million.	HDN	6/27/03	2008/2018	n.a.	20.0
URUGUAY					
IBRD Public Services and Social Sector Special Structural Adjustment Loan will benefit Uruguayans using public health and education services by ensuring maintenance of these services during the country's economic crisis. Total cost: \$101 million.	PSI	4/8/03	2006/2007	n.a.	101.0
IBRD Public Services and Social Sector Structural Adjustment Loan will benefit all Uruguayans by supporting measures to reduce the cost, improve quality, expand coverage, and improve efficiency of public services, such as electric power, natural gas, hydrocarbons, telecommunications, the postal service, water, sanitation, and transportation. Total cost: \$151.5 million.	PSI	4/8/03	2008/2017	n.a.	151.5
✦ IBRD Structural Adjustment Loan will benefit families and children by supporting fiscal and social policy reforms, including measures to ensure that social protection programs are accurately targeted toward the needy. Total cost: \$151.5 million.	PREM	8/8/02	2008/2017	n.a.	151.5
✦ IBRD Special Structural Adjustment Loan will benefit all Uruguayans by strengthening the economy through the support of government fiscal and social protection policies and the restructuring of the public banking system. Total cost: \$101 million.	PREM	8/8/02	2005/2007	n.a.	151.5
Total				112.6	5,820.5

n.a. Not applicable.

✦ Denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

c. "Blend" loan/credit

Table 6.13 Summaries of Operations Approved during Fiscal 2003, Middle East and North Africa

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
ALGERIA					
<p>✦ IBRD Second Rural Employment Specific Investment Loan aims to generate employment in poor rural mountainous areas of northwest and north-central Algeria through natural resource management, creating direct employment in civil works, and stimulating employment through asset creation. Total cost: \$142.9 million.</p>	ESSD	4/29/03	2006/2018	n.a.	95.0
<p>IBRD Urban Natural Hazard Vulnerability Reduction Loan will help communities of the Wilaya of Algiers improve capacity for disaster management and reduce their vulnerability through programs that will build and rehabilitate flood-related infrastructure and housing. Total cost: \$125.1 million.</p>	PSI	8/8/02	2008/2018	n.a.	88.5
DJIBOUTI					
<p>IDA Social Development and Public Works Supplemental Credit aims to provide additional financing to fund the completion of vital social and economic infrastructure development programs in the poorest neighborhoods of Djibouti, not served or only partially served through the existing social development and public works credit. Total cost: \$5.2 million.</p>	PSI	6/26/03	2013/2043	3.7	5.0
<p>✦ IDA HIV/AIDS, Malaria, and Tuberculosis Control Grant will help the government finance a response against HIV/AIDS, sexually transmitted infections, malaria, and tuberculosis, through capacity building, expanding access to preventive care and treatment, and helping communities mitigate the impact of the epidemic. Total cost: \$15 million.</p>	HDN	5/29/03	n.a.	8.8	12.0
<p>IDA International Road Corridor Rehabilitation Supplemental Credit aims to provide financing for the ongoing International Road Corridor Rehabilitation Project, crucial to complete road rehabilitation connecting the Port of Djibouti with neighboring Ethiopia, which depends on the port for all trade and shipments of food aid. Total cost: \$6 million.</p>	PSI	5/6/03	2013/2042	4.5	6.0
EGYPT, ARAB REPUBLIC OF					
<p>✦ IBRD Second Matruh Resource Management Loan aims to improve the livelihood of disadvantaged rural people in the Northwest Coastal Zone, reducing poverty through community development, expanding access to services, while strengthening capacity to conserve and rehabilitate natural resources. Total cost: \$39.8 million.</p>	ESSD	3/6/03	2008/2020	n.a.	12.4
IRAN, ISLAMIC REPUBLIC OF					
<p>IBRD Earthquake Emergency Recovery Project will relieve the socioeconomic hardships caused by the earthquakes of 2002 through reconstruction of public and private assets and development of an effective monitoring and management system to reduce the impact of future earthquakes. Total cost: \$225 million.</p>	PSI	6/3/03	2009/2020	n.a.	180.0

(continued next page)

Table 6.13 Summaries of Operations Approved during Fiscal 2003, Middle East and North Africa (continued)

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IBRD Environmental Management Support Specific Investment Loan will help improve environmental management in Iran by enhancing the capacity of the Department of Environment to monitor air and water quality, through pilot targeted interventions in Tehran, Isfahan, Khorasan, Markazi, and Khuzestan. Total cost: \$23 million.</p>	ESSD	4/8/03	2008/2020	n.a.	20.0
JORDAN					
<p>✦ IBRD Education Reform for Knowledge Economy Program I Sector Investment & Maintenance Loan aims to help transform Jordan's education system at the early childhood, basic, and secondary levels to produce graduates with skills necessary for the knowledge economy, through an integrated program of education reform. Total cost: \$370 million.</p>	HDN	5/8/03	2008/2020	n.a.	120.0
<p>IBRD Second Public Sector Reform Loan will help the Government to improve the financial position of the country by promoting private sector investment through judicial strengthening, improving the delivery and management of public services, and reform of the civil service. Total cost: \$120 million.</p>	PREM	7/2/02	2007/2019	n.a.	120.0
LEBANON					
<p>✦ IBRD Cultural Heritage and Urban Development Specific Investment Loan aims to increase economic development and enhance quality of life around the historic centers of five main secondary cities by providing financing to improve the conservation and management of Lebanon's built cultural heritage. Total cost: \$61.9 million.</p>	PSI	4/17/03	2010/2018	n.a.	31.5
MOROCCO					
<p>✦ IBRD Rainfed Agriculture Development Specific Investment Loan aims to improve socioeconomic conditions for smallholder farmers and herders in rainfed areas by financing local participatory development to improve incomes and access to basic rural infrastructure and through fostering sustainable agricultural growth. Total cost: \$41.1 million.</p>	ESSD	6/10/03	2009/2023	n.a.	26.8
<p>IBRD Asset Management Reform Loan aims to contribute to improved efficiency in public expenditures, by rationalizing investment, maintenance, and rehabilitation expenditures in public education and health, and through the establishment of an effective asset management system. Total cost: \$50 million.</p>	PSI	6/5/03	2009/2023	n.a.	45.0
<p>✦ IBRD Alpha Maroc Learning and Innovation Loan will test new approaches to teaching quality and adult literacy program management, which, if effective, will enable the government to implement nationwide programs to improve adult literacy. Total cost: \$5.4 million.</p>	HDN	9/26/02	2008/2022	n.a.	4.1
TUNISIA					
<p>✦ IBRD Municipal Development III Loan will benefit urban residents and include them in the planning, implementation, and provision of basic public services enhancing the capacity of municipal investments and increasing the capacity of local governments and central agencies. Total cost: \$199.8 million.</p>	PSI	12/5/02	2006/2019	n.a.	78.4

Country/project name	Network ^a	Date of approval	Maturities	Principal amount (millions)	
				SDR ^b	US\$
<p>✦ IBRD Northwest Mountainous and Forestry Areas Development Specific Investment Loan will increase household incomes and living conditions in populations through diversification of agricultural/pastoral production systems and promotion of off-farm income-generating activities. Total cost: \$44.9 million.</p>	ESSD	10/31/02	2008/2024	n.a.	34.0
YEMEN, REPUBLIC OF					
<p>✦ IDA Sana'a Basin Water Management Adaptable Program Loan will assist the government in containing the depletion of groundwater in the Sana'a Basin aquifer to gain time to convert the local economy to less water-intensive activities and encourage out-migration. Total cost: \$120 million.</p>	ESSD	6/3/03	2013/2043	17.6	24.0
<p>✦ IDA Port Cities Development Credit aims to improve the investment climate, growth, and employment opportunities in port cities, through the revitalization of existing business, financing of city development strategies, and local capacity building. Total cost: \$26.5 million.</p>	PSI	1/23/03	2013/2042	17.7	23.4
<p>✦ IDA Urban Water Supply and Sanitation Adaptable Program Credit will benefit urban residents by providing efficient water supply and sanitation services through private participation and the expansion and rehabilitation of water and wastewater networks. Total cost: \$150 million.</p>	PSI	8/1/02	2012/2042	104.2	130.0
Total				156.5	1,056.1

Special Financing^d

WEST BANK AND GAZA

✦ **Second Emergency Services Support Grant** will benefit students and families by financing project management costs, equipment, technical assistance, and training to improve the quality and delivery of social welfare, education, health, and social assistance services. Total cost: \$84 million.

Emergency Municipal Services Rehabilitation Grant will decrease the deterioration of municipal services and generate temporary employment by providing technical support and financing to local governments, generating temporary microprojects and linking central and local budgetary planning processes. Total cost: \$70 million.

n.a. Not applicable.

✦ Denotes various levels of civil society involvement.

Note: Numbers may not add to totals because of rounding. c = IDA credit; g = IDA grant.

a. ESSD = Environmentally and Socially Sustainable Development; HDN = Human Development; FSE = Financial Sector; PREM = Poverty Reduction and Economic Management; PSI = Private Sector and Infrastructure.

b. IDA funds are denominated in Special Drawing Rights (SDRs), which are valued on the basis of a "basket" of currencies. The U.S. dollar equivalent of the SDR amount reflects the exchange rates in effect at the time of the negotiations of the credit or grant.

c. "Blend" loan/credit

d. Financing provided by trust funds administered by the Bank.

Table 6.14 World Bank Adjustment Operations, Fiscal 2003

(millions of dollars)

Country	Operation	IBRD	IDA	Total
Poverty Reduction Support Credits				
Burkina Faso	P075378		35	35
Ghana	P076808		125	125
Guyana	P073851		12	12
Sri Lanka	P081718		125	125
Tanzania	P074072		132	132
Uganda	P073671		150	150
Vietnam	P075398		100	100
Programmatic Structural Adjustment Loans and Credits				
Bolivia	P081402			
			25	25
Bulgaria	P067051	150		150
Brazil	P070641	404		404
Brazil	P080746			
		505		505
Colombia	P078869	150		150
Colombia	P080831			
		300		300
Ecuador	P082395	50		50
Ecuador	P082739			
		50		50
Jamaica	P073756			
		75		75
Latvia	P069890	20		20
Mexico	P074539			
		202		202
Nicaragua	P074760		15	15
Peru	P073817	100		100
Tanzania	P084984			
			+	+
Sector Adjustment Loans and Credits				
Colombia	P069861	155		155
Jordan	P066826	120		120
Morocco	P005516	45		45
Mexico	P074655			
		505		505
Serbia and Montenegro	P074868		80	80

+ Represents adjustment operations of less than \$0.5 million.

Country		Operation	IBRD	IDA	Total
Structural Adjustment Loans and Credits					
Armenia	P075758	Fifth Structural Adjustment Credit		40	40
Argentina	P083074	Economic and Social Transition Structural Adjustment Loan	500		500
Bangladesh	P081845	Development Support Credit		300	300
Burundi	P074602	Economic Rehabilitation Credit		54	54
Benin	P077574	Public Expenditure Reform Adjustment Supplemental Credit		10	10
Bolivia	P082700	Social Safety Net Structural Adjustment Credit		35	35
Cameroon	P084890	Third Structural Adjustment Credit (IDA Reflow)		3	3
Cape Verde	P081548	Structural Adjustment Credit Supplement		4	4
Kenya	P083594	Economic and Public Sector Reform Credit (IDA Reflow)		1	1
Kyrgyz Republic	P071061	Governance Structural Adjustment Credit		20	20
Mozambique	P049878	Economic Management and Private Sector Operation Credit		120	120
Pakistan	P075810	Sindh Structural Adjustment Credit		100	100
Pakistan	P077834	North West Frontier Province Structural Adjustment Credit		90	90
Romania	P067575	Second Private Sector Adjustment Loan	300		300
Rwanda	P066385	Institutional Reform Credit		85	85
Sierra Leone	P078623	Third Economic Rehabilitation and Recovery Credit		30	30
Chad	P077781	Fifth Structural Adjustment Credit		40	40
Uruguay	P077172	Structural Adjustment Loan	152		152
Uruguay	P078726	Public Services and Social Sectors Structural Adjustment Loan	152		152
Kosovo	P078380	Fourth Economic Assistance Grant		5	5
Serbia and Montenegro	P076764	Structural Adjustment Credit		15	15
Serbia and Montenegro	P078390	Social Sector Adjustment Credit		80	80
Special Structural Adjustment Loans					
Uruguay	P080263	Special Structural Adjustment Loan	152		152
Uruguay	P081495	Public Services and Social Sector Special Structural Adjustment Loan	101		101
Total			4,187	1,831	6,018

List of Part I and Part II IDA Member Countries

PART I MEMBERS

Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany
Greece
Iceland
Ireland
Italy
Japan
Kuwait
Luxembourg
Netherlands
New Zealand
Norway
Portugal
Russian Federation
South Africa
Spain
Sweden
Switzerland
United Arab Emirates
United Kingdom
United States

PART II MEMBERS

Afghanistan
Albania
Algeria
Angola
Argentina
Armenia
Azerbaijan
Bangladesh
Barbados
Belize
Benin
Bhutan
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Cape Verde
Central African Republic
Chad
Chile
China
Colombia
Comoros
Congo, Democratic Republic of
Congo, Republic of
Costa Rica
Côte d'Ivoire
Croatia
Cyprus
Czech Republic
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt, Arab Republic of
El Salvador
Equatorial Guinea
Eritrea
Ethiopia
Fiji
Gabon
Gambia, The

Georgia
Ghana
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Hungary
India
Indonesia
Iran, Islamic Republic of
Iraq
Israel
Jordan
Kazakhstan
Kenya
Kiribati
Korea, Republic of
Kyrgyz Republic
Lao People's Democratic Republic
Latvia
Lebanon
Lesotho
Liberia
Libya
Macedonia, former Yugoslav Republic of
Madagascar
Malawi
Malaysia
Maldives
Mali
Marshall Islands
Mauritania
Mauritius
Mexico
Micronesia, Federated States of
Moldova
Mongolia
Morocco
Mozambique
Myanmar
Nepal
Nicaragua
Niger
Nigeria
Oman
Pakistan
Palau, Republic of
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Rwanda
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Samoa
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia and Montenegro
Sierra Leone
Singapore
Slovak Republic
Slovenia
Solomon Islands
Somalia
Sri Lanka
Sudan
Swaziland
Syrian Arab Republic
Tajikistan
Tanzania
Thailand
Timor-Leste
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Uganda
Uzbekistan
Vanuatu
Vietnam
Yemen, Republic of
Zambia
Zimbabwe

Note: Countries choose whether they are Part I or Part II based primarily on economic standing. Part I countries are almost all donors to the International Development Association and they pay their contributions in freely convertible currency. Part II countries may be donors and are entitled to pay most of their contributions in local currency. For more information, and for Statement of Voting Power, and Subscriptions and Contributions of IDA Members, see the *World Bank Annual Report 2003: Volume 2, Financial Statements and Appendices*.

World Bank Web Sites

About the World Bank Group
www.worldbank.org/about

Africa
www.worldbank.org/afr

Annual & Spring Meetings
www.worldbank.org/annualmeetings

Anticorruption
www.worldbank.org/anticorruption

B-Span—Webcasting for Development
www.worldbank.org/wbi/B-SPAN

Calendar of Development Events
www.worldbank.org/events

Civil Society
www.worldbank.org/civilsociety

Community Partners Forum
www.worldbank.org/communitypartners

Comprehensive Development Framework
www.worldbank.org/cdf

Contacting the World Bank
www.worldbank.org/contacts

Country Assistance Strategies
www.worldbank.org/cas

Country Offices
www.worldbank.org/contacts

Data and Statistics
www.worldbank.org/data

Debt Securities
www.worldbank.org/debtsecurities

Development Forum
www.worldbank.org/devforum

Development Grant Facility
www.worldbank.org/dgf

Development News
www.worldbank.org/developmentnews

Disclosure of Information
www.worldbank.org/disclosure

Early Childhood Development
www.worldbank.org/children

East Asia and Pacific
www.worldbank.org/eap

Education
www.worldbank.org/education

Energy
www.worldbank.org/energy

Environment
www.worldbank.org/environment

Europe and Central Asia
www.worldbank.org/eca

Evaluation
www.worldbank.org/oed

Finance
www.worldbank.org/finance

Financial Products & Services
www.worldbank.org/fps

Foreign Investment Advisory Service
www.fias.net

Gender
www.worldbank.org/gender

Global Development Finance
www.worldbank.org/prospects/gdf2003

Global Development Network
www.gdnet.org

Global Distance EducationNet
www.worldbank.org/disted

Global Economic Prospects
www.worldbank.org/prospects/gep2003

Globalization
www.worldbank.org/globalization

Groupe de la Banque Mondiale
www.banquemondiale.org

Grupo del Banco Mundial
www.bancomundial.org

Health, Nutrition, and Population
www.worldbank.org/hnp

Heavily Indebted Poor Countries Initiative
www.worldbank.org/hipc

Help/Frequently Asked Questions
www.worldbank.org/help

HIV/AIDS and the World Bank
www.worldbank.org/aids

InfoDev (Information for Development)
www.worldbank.org/infodev

InfoShop (Public Information Center)
www.worldbank.org/infoshop

Inspection Panel
www.worldbank.org/inspectionpanel

International Bank for Reconstruction and Development
www.worldbank.org/ibrd

International Centre for Settlement of Investment Disputes
www.worldbank.org/icsid

International Development Association
www.worldbank.org/ida

International Finance Corporation
www.ifc.org

International Financial Architecture
www.worldbank.org/ifa

IPAnet
www.ipanet.net

Jobs and Scholarships
www.worldbank.org/careers

Knowledge Sharing
www.worldbank.org/ks

Latin America and the Caribbean
www.worldbank.org/lac

Law and Justice
www.worldbank.org/legal

Library
jolis.worldbankimflib.org/external.htm

Middle East and North Africa
www.worldbank.org/mena

Millennium Development Goals
www.developmentgoals.org

Multilateral Investment Guarantee Agency
www.miga.org

Newsletters
www.worldbank.org/subscriptions

Oil, Gas, Mining and Chemicals
www.worldbank.org/mining

Participation
www.worldbank.org/participation

Pensions
www.worldbank.org/pensions

Poverty Reduction/Poverty Net
www.worldbank.org/poverty

Poverty Reduction Strategy Papers
www.worldbank.org/poverty/strategies

Private Sector Development
www.worldbank.org/privatesector

PrivatizationLink
privatizationlink.ipanet.net

Procurement in Bank-Financed Projects
www.worldbank.org/html/opr/procure

Project Database
www.worldbank.org/projects

Public Sector
www.worldbank.org/publicsector

Publications
www.worldbank.org/publications

Rapid Response
rru.worldbank.org

Research
www.worldbank.org/research

Resource Mobilization and Cofinancing
www.worldbank.org/rmc

Rural Development and Agriculture
www.worldbank.org/rural

Schools
www.worldbank.org/html/schools

Social Development (Social Assessment)
www.worldbank.org/socialdevelopment

Social Protection
www.worldbank.org/sp

South Asia
www.worldbank.org/sar

Spring Meetings
www.worldbank.org/springmeetings

Sustainable Development
www.worldbank.org/sustainabledevelopment

Telecommunications and Informatics
www.worldbank.org/ict

Transport
www.worldbank.org/transport

Urban Development
www.worldbank.org/urban

Voices of the Poor
www.worldbank.org/poverty/voices

Water Resources Management
www.worldbank.org/water

World Bank Annual Reports
www.worldbank.org/annualreport

World Bank e-Library
www.worldbank.org/elibrary

World Bank Institute
www.worldbank.org/wbi

World Development Indicators
www.worldbank.org/data/wdi

World Development Report
www.worldbank.org/wdr

World Development Sources
www-wds.worldbank.org

World Links for Development
www.worldbank.org/worldlinks

List of Boxes, Figures, and Tables

BOXES

- Box 1.1 Harmonization 17
- Box 1.2 The Development Gateway Foundation 19
- Box 1.3 Switzerland and the World Bank Institute: Partners in Enhancing Capacity 23
- Box 1.4 Comprehensive Development Framework—The Basis for the Bank Group’s Work 24
- Box 2.1 The Global Development Learning Network 32
- Box 3.1 Aid Effectiveness and Capacity Building 56
- Box 4.1 The Integrated Framework for Trade 61
- Box 4.2 Research, Policy, and Learning 62
- Box 4.3 Development Policy Review—A New and Integrated View of a Country’s Development Policy Agenda and Priorities 64
- Box 4.4 Education for All and the Fast-Track Initiative: A Closer Look 66
- Box 4.5 Disability in Developing Countries 68
- Box 4.6 Agricultural Science and Technology International Assessment 71
- Box 4.7 Lending in Urban and Rural Areas 76
- Box 4.8 The First Initiative 80
- Box 4.9 All-Africa Conference on Law, Justice, and Development, February 4–7, 2003 81
- Box 4.10 Gender and Law 82
- Box 5.1 HIV/AIDS in Africa 90
- Box 5.2 African Virtual University 91
- Box 5.3 Trade in East Asia 96
- Box 5.4 Conflict Resolution, Peace, Reconciliation, and Reconstruction 101
- Box 5.5 Half Full or Half Empty? 104
- Box 5.6 Reliable Data for an Effective Poverty Reduction Strategy 111
- Box 5.7 Literacy through Poetry 116

FIGURES

- Figure 2.1 The Project Cycle 33
- Figure 2.2 Total IBRD-IDA Lending by Region, Fiscal 2003 34
- Figure 2.3 Total IBRD-IDA Lending by Theme, Fiscal 2003 34
- Figure 2.4 Total IBRD-IDA Lending by Sector, Fiscal 2003 34
- Figure 2.5 IBRD Lending by Region, Fiscal 2003 37
- Figure 2.6 IBRD Lending by Theme, Fiscal 2003 37
- Figure 2.7 IBRD Lending by Sector, Fiscal 2003 37
- Figure 2.8 Net Return on Assets 38
- Figure 2.9 Equity-to-Loans Ratio as of June 30, 2003 39

- Figure 2.10 Borrowings and Investments as of June 30, 2003 39
- Figure 2.11 Proposed Allocation of Fiscal 2003 Allocable Net Income of \$3,050 Million 39
- Figure 2.12 IDA Commitments by Region, Fiscal 2003 40
- Figure 2.13 IDA Commitments by Theme, Fiscal 2003 40
- Figure 2.14 IDA Commitments by Sector, Fiscal 2003 40
- Figure 2.15 Sources of IDA Funding 40
- Figure 2.16 IDA’s Stepped-up Efforts in the Social Sectors 40
- Figure 2.17 Trust Fund Contributions and Disbursements, Fiscal 1999–2003 42
- Figure 2.18 Cofinancing Funds by Region, Fiscal 2000–03 43
- Figure 2.19 Total Bank Lending vs. Cofinancing, Fiscal 2000–03 43
- Figure 2.20 Heavily Indebted Poor Countries Debt Relief—Reduced Debt Stock and Improving Debt Service Ratios 44
- Figure 2.21 Trends in Social Spending before and after Assistance under the HIPC Initiative 44
- Figure 3.1 Child Malnutrition 48
- Figure 3.2 Primary School Completion 48
- Figure 3.3 Gender Equality in Education 49
- Figure 3.4 Child Mortality 49
- Figure 3.5 Maternal Mortality 50
- Figure 3.6 HIV/AIDS Prevalence 50
- Figure 3.7 Improved Water Source 51
- Figure 3.8 Net Official Development Assistance 51
- Figure 3.9 Active Project Portfolio by Region as of June 30, 2003 52
- Figure 3.10 Satisfactory Project Outcomes, 1974–2002 55
- Figure 4.1 Net Long-Term Resource Flows to Developing Countries, 1993–2002 74
- Figure 5.1 Africa: IBRD and IDA Lending by Theme, Fiscal 2003 92
- Figure 5.2 Africa: IBRD and IDA Lending by Sector, Fiscal 2003 92
- Figure 5.3 East Asia and Pacific: IBRD and IDA Lending by Theme, Fiscal 2003 97
- Figure 5.4 East Asia and Pacific: IBRD and IDA Lending by Sector, Fiscal 2003 97
- Figure 5.5 South Asia: IBRD and IDA Lending by Theme, Fiscal 2003 102
- Figure 5.6 South Asia: IBRD and IDA Lending by Sector, Fiscal 2003 102
- Figure 5.7 Europe and Central Asia: IBRD and IDA Lending by Theme, Fiscal 2003 107

- Figure 5.8 Europe and Central Asia: IBRD and IDA Lending by Sector, Fiscal 2003 107
- Figure 5.9 Latin America and the Caribbean: IBRD and IDA Lending by Theme, Fiscal 2003 112
- Figure 5.10 Latin America and the Caribbean: IBRD and IDA Lending by Theme, Fiscal 2003 112
- Figure 5.11 Middle East and North Africa: IBRD and IDA Lending by Theme, Fiscal 2003 117
- Figure 5.12 Middle East and North Africa: IBRD and IDA Lending by Sector, Fiscal 2003 117

TABLES

- Table 2.1 Economic and Sector Work Product Deliveries by Type, Fiscal 1998–2003 31
- Table 2.2 World Bank Lending by Theme and Sector, Fiscal 1994–2003 35
- Table 2.3 World Bank Adjustment Commitments, Fiscal 2000–03 36
- Table 2.4 Select IBRD Financial Data 38
- Table 2.5 Top Ten Trust Fund Donors 42
- Table 5.1 World Bank Lending to Borrowers in Africa, by Theme and Sector, Fiscal 1994–2003 93
- Table 5.2 World Bank Lending to Borrowers in East Asia and Pacific, by Theme and Sector, Fiscal 1994–2003 98
- Table 5.3 World Bank Lending to Borrowers in South Asia, by Theme and Sector, Fiscal 1994–2003 103
- Table 5.4 World Bank Lending to Borrowers in Europe and Central Asia, by Theme and Sector, Fiscal 1994–2003 108
- Table 5.5 World Bank Lending to Borrowers in Latin America and the Caribbean, by Theme and Sector, Fiscal 1994–2003 113
- Table 5.6 World Bank Lending to Borrowers in Middle East and North Africa, by Theme and Sector, Fiscal 1994–2003 118
- Table 6.1 Country Eligibility for Borrowing from the World Bank 136
- Table 6.2 World Bank Commitments, Disbursements, and Net Transfers in Africa, Fiscal 2002–2003 138
- Table 6.3 World Bank Commitments, Disbursements, and Net Transfers in East Asia and Pacific, Fiscal 2002–2003 138
- Table 6.4 World Bank Commitments, Disbursements, and Net Transfers in South Asia, Fiscal 2002–2003 139
- Table 6.5 World Bank Commitments, Disbursements, and Net Transfers in Europe and Central Asia, Fiscal 2002–2003 139
- Table 6.6 World Bank Commitments, Disbursements, and Net Transfers in Latin America and the Caribbean, Fiscal 2002–2003 140
- Table 6.7 World Bank Commitments, Disbursements, and Net Transfers in Middle East and North Africa, Fiscal 2002–2003 140
- Table 6.8 Summaries of Operations Approved during Fiscal 2003, Africa 141
- Table 6.9 Summaries of Operations Approved during Fiscal 2003, East Asia and Pacific 150
- Table 6.10 Summaries of Operations Approved during Fiscal 2003, South Asia 154
- Table 6.11 Summaries of Operations Approved during Fiscal 2003, Europe and Central Asia 159
- Table 6.12 Summaries of Operations Approved during Fiscal 2003, Latin America and the Caribbean 168
- Table 6.13 Summaries of Operations Approved during Fiscal 2003, Middle East and North Africa 175
- Table 6.14 World Bank Adjustment Operations, Fiscal 2003 178

Index

Note: *b* indicates boxes; *f* indicates figures; and *t* indicates tables.

A

Activities database, 19*b*
Accountability, 71
Achieving the Human Development MDGs in ECA, 104*b*
Adjustment Commitments, 36*t*
Afghanistan, 44, 75, 99, 100, 101*b*
Afghanistan Reconstruction Trust Fund, 101*b*
Africa, 88–93
 conflict, 88–89
 educational support, 67
 HIPC Initiative, 92
 HIV/AIDS, 89–90
 IBRD and IDA lending, 92*f*
 infrastructure lending, 75
 integration, 91
 natural resources, 89
 World Bank assistance, 88
Africa Stockpiles Programme, 18
African Virtual University, 91*b*
Afro–Latin Seminar on International Trade Law and Policy, 62
Agriculture, 3, 20–21, 70–71, 71*b*
All-Africa Conference on Law, Justice, and Development, 81
Annual Report on Portfolio Performance, 51
Annual Review of Development Effectiveness (ARDE), 53, 55
Annual World Bank Conference on Development Economics (ABCDE), 288
Anti-Money Laundering/Combating the Financing of Terrorism Global Assistance Coordination Database, 79
ARDE. *See* Annual Review of Development Effectiveness.
Argentina, 7, 109
Audit Committee, 6

B

Balances, trust funds, 41–42
Bangladesh, 99, 100–101
Behind-the-border, 61
Blend borrowers, 34
Borrowings and investments, 39*f*
Budget, administrative, 7
Buy-down mechanism, 67

C

Capacity building, 32*b*, 32–33, 46, 56*b*, 62*b*, 80*b*
Caribbean. *See* Latin America and Caribbean.
CAS. *See* Country Assistance Strategy.
CAS Retrospective, 23
Case studies, 52–54
Central Asia. *See* Europe and Central Asia.
CGIAR. *See* Consultative Group on International Agricultural Research.
Challenge Programs, 21
Child mortality, 49, 65
 Europe and Central Asia, 106
 MDGs, 14*f*
Cities Alliance, 22–23
Cities Without Slums, 23
Civil society, 18–19
Closing the Gap in Education and Technology, 65–66
Cofinancing, 42, 43*f*
Committee on Development Effectiveness, 57
Communicable diseases, 20, 22, 67
Community foundations, 19–20

Community Land Purchase Committee, 83
Comprehensive Development Framework (CDF), 2, 6, 24*f*
Conference on Lifelong Learning and the Knowledge Economy, 65
Conflict, 88–89, 101*b*, 115
Consultative Group on International Agricultural Research (CGIAR), 20–21, 56, 71
Consultative Group to Assist the Poorest (CGAP), 77
Contract enforcement, 81
Contributions, trust funds, 41–42
Core diagnostic work, 31
Corporate evaluation findings, 56
Corporate social responsibility, 20
Country Assistance Evaluations (CAEs), 55
Country Assistance Strategy (CAS), 23, 33*f*
Country Economic Memoranda, 64
Country Environment Analysis, 69
Country evaluation findings, 55
Country Innovation Day competitions, 28
Country priorities, 23
Country programs, 6, 55
Country Re-engagement Note (CRN), 23
Creditor rights, 82
Curbing the Epidemic, 67–68

D

Debt relief, 43–44, 92
Democratizing Development Conference, 60
Development assistance, 33, 92
Development Assistance Committee (DAC), 17–18
Development Economics Group (DEC), 30
Development effectiveness, Committee on, 57
Development Effectiveness Review, 53–54, 56
Development Gateway Foundation, 19*b*
Development Marketplace, 28
Development policy review, 64, 64*b*
Digital divide, 75
Disabilities, 68*b*
Disaster Management Facility, 76
Disbursements, 41–42
Discrimination, women, 82
Dissemination, financial, 78
Distance learning centers, 32*b*
Distance learning tools, 33
District Poverty Initiative Project, 101
Doing Business Project, 73
Donor consultations, 42
Donor peer reviews, 77

E

East Asia and Pacific, 94–98
 global priorities, 96
 IBRD and IDA lending, 97*f*
 investment climate, 94–95
 MDGs, 97
 trade, 97
 World Bank lending, 98*t*
ECA. *See* Europe and Central Asia.
Economic and Sector Work (ESW), 30–31, 31*t*
Economic development, 76
Economic policy, 63–64
Education, 28, 48, 65
 Africa, 89, 90
 African Virtual University, 91*b*
 girls, 66*b*

- Education for All (EFA), 28, 65, 66b, 89, 106
 case study, 52
 MDGs, 14f
- Electronic finance and security, 78
- Emergency Public Works and Community Empowerment Project, Afghanistan, 44, 100
- Empowering poor people, 13
 East Asia and Pacific, 95–96
 Ethiopia, 60–61
 Europe and Central Asia, 105–106
 Middle East and North Africa, 116
 South Asia, 101–102
- Empowerment, 13, 60
- Energy, 21, 74–75
- Energy Sector Management Assistance Programme, 21
- Environment, 50, 69, 83
 East Asia and Pacific, 96
 Europe and Central Asia, 107
 Green Awards, 70
 incentive structure, 69–70
 management, 32, 69
 partnerships, 21–22
- Equity-to-loan ratios, 39f
- ESW. *See* Economic and Sector Work.
- Europe and Central Asia (ECA), 104–108
 Education for All, 106
 environment, 107
 HIV/AIDS, 106
 IBRD and IDA lending, 107f
 investment climate, 105, 107
 Maternal and child health, 106
 MDGs, 104b, 105–106
 trade, 107
 water supply and sanitation, 106–107
 World Bank assistance, 105
 World Bank lending, 108t
- European Union, 18
- Evaluation findings, 55–56
- Executive Directors, 4
- F**
- Fast-Track Initiative (FTI), 28, 65, 66b
- Finance, legal reform, 81
- Financial sector, policy advice, 79–80
- Financial Sector Assessment Program, 79, 107
- Financial Sector Knowledge and Information Services, 78
- Financial Sector Learning Program, 78
- Financial Sector Reform and Strengthening (FIRST), 79
- Financial services, 78–79, 82
- FIRST Initiative, 80b
- Fiscal 2003 highlights, 28
- Foreign Investment Advisory Service, 73
- Forests, 32, 70–71, 71
- Foundations, 19–20
- Framework Convention for Tobacco Control, 67
- FTI. *See* Fast-Track Initiative.
- G**
- GEF Trust Fund, 22
- Gender, 14f, 82, 101, 116
 assessments, 63, 82
 development, 62–63
 equality, 48–49
- Global Forum on Insolvency Risk Management, 83
- Global Alliance for Improved Nutrition, 22
- Global Alliance for Vaccines and Immunization, 22
- Global Development Learning Network, 32b, 33, 95
- Global evaluation findings, 56
- Global Fund to Fight AIDS, Tuberculosis, and Malaria, 22
- Global Gas Flaring Reduction Partnership, 21
- Global Insolvency Judges Forum, 83
- Global Partnership on Output-Based Aid, 73
- Global partnerships, 6, 20–23, 50, 56
- Global Village Energy Partnership, 21
- Governance, Africa, 88–89
- Governance and Anticorruption Core Course, 63
- Governance reform, 63
- Green Awards, 70
- Greenhouse gas emissions, 22, 83
- Growth, 29, 60, 90–91
- Guarantees, 76–77
- H**
- Harmonization, 17f
- Health, 22, 67–68
- Heavily Indebted Poor Countries (HIPC) Initiative, 3, 38, 43–44, 44f, 92
- HIPC Debt Initiative Review, 56
- HIV/AIDS, 22, 32b, 50, 65, 76
 Africa, 89, 90b
 case study, 53
 child mortality, 49
 Europe and Central Asia, 106
 education, 90
 orphans, 90
- Human Reproduction Program, 22
- Human resource development, 48, 89–90
- I**
- IBRD. *See* International Bank for Reconstruction and Development.
- IDA. *See* International Development Association.
- IDA-13. *See* Thirteenth Replenishment of IDA.
- IFC. *See* International Finance Corporation.
- IMF. *See* International Monetary Fund.
- Independent evaluation, 53
- India, 99, 100–101
- InfoCity, 95
- infoDev, 75
- Infrastructure, 73–76
 Africa, 90–91
 investment, 3, 13
 South Asia, 100
 water resources, 71
- Insolvency, 82–83
- Inspection Panel, 7
- Integrated risk management, 57
- Integration, 61, 61b, 91, 96f
- Interim PRSPs (I-PRSPs), 24
- International Association of Insurance Supervisors, 79–80
- International Bank for Reconstruction and Development (IBRD), 8, 28, 33–38, 38t
 Africa, 92f
 East Asia and Pacific, 97f
 Europe and Central Asia, 107f
 Latin America and the Caribbean, 112f
 Middle East and North Africa, 117f
 South Asia, 102f
- International Centre for Settlement of Investment Disputes (ICSID), 9

- International Development Association (IDA), 8, 33, 39, 41, 67
 Africa, 92*f*
 assistance, 24–25
 commitments, 40*f*, 41
 donors, 39–40
 East Asia and Pacific, 97*f*
 Europe and Central Asia, 107*f*
 Latin America and the Caribbean, 112*f*
 Middle East and North Africa, 117*f*
 South Asia, 102*f*
- International Finance Corporation (IFC), 7, 9
 International Monetary Fund (IMF), 6, 16, 60
 International Treatment Access Coalition, 22
 Investing in the poor, 13
 Investment, advisory service, 73
 Investment climate, 12–13, 30, 73, 81, 94
 East Asia and Pacific, 94–95
 Europe and Central Asia, 105, 107
 Latin America and the Caribbean, 110
 low-income countries, 23–24
 Middle East and North Africa, 116
 South Asia, 100–101
 Investment Partnership for Polio, 28
 Iraq, 29, 44, 115
- J**
 Joint United Nations Programme on HIV/AIDS, 22
 Joint World Bank–International Monetary Fund (Bank-Fund) Development Committee, 5
 Judges, 81
- K**
 Knowledge and Learning Advisory Service, 33
 Knowledge for Development Program, 32–33
 Knowledge networks, 22
 Knowledge sharing, 29–33
- L**
 Land purchase committee, 83
 Latin America and the Caribbean, 109–113
 IBRD and IDA lending, 112*f*
 investment climate, 110
 MDGs, 110–112
 World Bank assistance, 109–110
 World Bank lending, 113*t*
- Law enforcement and reform, 81–82
 Learning, 29–33, 62*b*, 78
 Legal reform, 81
 Lending, 33–35, 47, 66*b*, 67–68
 Africa, 92*f*, 93
 cofinancing, 43*f*
 East Asia and Pacific, 98*t*
 Europe and Central Asia, 108*t*
 IBRD and IDA totals, 34*f*, 37*f*
 Latin America and the Caribbean, 113*t*
 Middle East and North Africa, 118*t*
 South Asia, 103
 technical assistance, 78–79
 urban and rural areas, 76*b*
 World Bank, 35*t*
- Literacy, 116*b*
 Low-income countries, 23–25
- M**
 Mainstreaming Fund for the Environment, 70
 Malaria, 22, 53
 Management Committee, 57
 Maternal health, 49, 65, 106, 117
 MDGs. See Millennium Development Goals.
 Meso-American Biological Corridor, 112
 Microfinance Gateway, 77
 Middle East and North Africa, 114–118
 IBRD and IDA lending, 117*f*
 investment climate, 116
 Maternal and child health, 117
 trade and integration, 117
 World Bank aid, 114–115
 World Bank lending, 118*t*
- Middle-income countries, 25
 Millennium Development Goals (MDGs), 5, 13–14, 14–15*f*, 54
 challenges, 47–51
 East Asia and Pacific, 97
 ESW, 31
 Europe and Central Asia, 105–106
 goals, 2, 48*f*–51*f*
 monitoring, 14–15
 Money laundering, 78–79, 82
 Monitoring, 46, 55
 MDGs, 14–15
 results of IDA assistance, 41
 Monterey Consensus, 2
 Multicountry HIV/AIDS Program for Africa, 89
 Multidonor Trust for Demobilization and Reintegration for the Great Lakes Region, 89
 Multilateral development banks, 17
 Multilateral Investment Guarantee Agency (MIGA), 9
- N**
 National Development Framework, 101*b*
 Nepal, 99, 100
 Net income allocation, 39*f*
 North East Reconstruction Trust Fund, 101*b*
 Nutrition, 22, 67–68
- O**
 OECD. See Organisation for Economic Co-operation and Development.
 OED. See Operations Evaluation Department.
 Openness, 6
 Operations Evaluation Department (OED), 4, 53, 56
 Organisation for Economic Co-operation and Development (OECD) and Its Development Assistance Committee, 17–18
 Oversight, 6
- P**
 Pacific. See East Asia and Pacific.
 Pakistan, 99, 101–102
 The Parliamentary Network on the World Bank, 20
 Partnerships, 16–23, 47, 50, 79–80
 Policy, 42, 47, 62*b*, 70
 Polio, 20, 28, 67
 Poor people, 32, 38
 East Asia and Pacific, 95–96
 Europe and Central Asia, 105–106
 Middle East and North Africa, 116
 South Asia, 101–102
 Population, 22, 67–68
 Post-Conflict Fund, 72
 Poverty, 30, 48, 60, 69
 Poverty and social impact analysis (PSIA), 60, 72

- Poverty reduction, 14*f*, 30, 77
 - reliable data, 111*b*
 - strategy, 12, 24, 32, 60, 101
 - Poverty Reduction Strategy Papers (PRSPs), 2–3, 24, 55, 60, 95
 - Poverty Reduction Strategy Trust Fund, 24
 - Poverty Reduction Support Credits (PRSCs), 44, 101
 - Private Sector Development, 73
 - Private Sector Development in Electricity (PSDE), 56
 - Private sector investment, 3
 - Privatization, 76–77
 - Project cofinancing, 42–43
 - Project cycle, 33*f*
 - Project outcomes, 55*f*
 - Project portfolio, 52*f*
 - ProVention Consortium, 76
 - PRSPs. *See* Poverty Reduction Strategy Papers.
 - PSIA. *See* Poverty and social impact analysis.
 - Public Information Centers, 6
 - Public sector transparency, 19*b*
 - Public sector reform, 63
- Q**
- Quality Assurance Group, 51
 - Quality index, 51
- R**
- Reimbursable Technical Assistance Program, Middle East and North Africa, 115
 - Reports on the Observance of Standards and Codes, 82
 - Requests for Inspection, 7
 - Research, 29, 62*b*
 - agricultural, 20–21
 - financial, 78
 - trade, 62
 - Resource flows, 74*f*
 - Resources, IBRD, 36–37
 - Results, measuring, 15–16, 17*f*, 46
 - Return on assets, IBRD, 37, 38*f*
 - Reviews, donor, 77
 - Risk, 37, 52, 57, 78
 - Roll Back Malaria, 22
 - “Rome Declaration on Harmonization,” 17*f*
 - Rural and Urban Development departments, 76*b*
 - Rural development, 70–71, 95–96
 - Rural electrification programs, 75
- S**
- Safeguard Polices, 70
 - “Safe Roads,” 75
 - Sanitation, 74
 - Sector evaluation findings, 56
 - Sector strategies, 55
 - Sector Strategy Papers (SSPs), 31–32
 - Social development, 71–72, 76
 - Social protection, 68, 90
 - Sourcebook for Poverty Reduction Strategies*, 47
 - South Asia, 99–103, 101*b*
 - HIV/AIDS, 102–103
 - IBRD and IDA lending, 102*f*
 - World Bank assistance, 99
 - World Bank lending, 103*t*
 - Special assistance, 43–44
 - Special drawing rights, 41
 - Sri Lanka, 99, 100–102
 - Standing committees, 4
 - StatCap, 47
 - Stop TB, 22
 - Strategic Compact target, 54
 - Strategic framework, 5
 - Strategy, 12–14, 70, 73
 - Sudden acute respiratory syndrome (SARS), 94
 - Surveys, investment climate, 30
 - Sustainable development, 83
- T**
- Technical assistance, 80*b*
 - Technical Cooperation Program, 31
 - Technology, 21, 71
 - Telecommunications, 75
 - Terrorism financing, 78–79, 82
 - Thirteenth Replenishment of IDA (IDA-13), 3, 39, 41
 - Tobacco, 67–68
 - Trade, 61–62
 - Training, 79–80
 - Transparency, 6
 - Transportation, 62, 75–76
 - Tropical Disease Research Program, 22
 - Trust funds, 41–42, 42*f*
 - Afghanistan, 101*b*
 - poverty reduction, 24
 - Trust Fund for Environmentally and Socially Sustainable Development, 22
 - Tuberculosis (TB), 22, 53
- U**
- United Nations, 16
 - Urban development, 22
 - Urban Research Symposium, 28
- W**
- Water, 32, 50, 74,
 - West Bank and Gaza, 115
 - World Bank assessment, 51
 - World Bank assistance, 88, 94, 105, 109–110, 114–115, 99
 - World Bank Development Committee, 16
 - World Bank Management Committee, 57
 - World Bank-IFC Global Information and Communications Technology Department, 75
 - World Development Report 2004: Making Services Work for Poor People*, 30
 - World Food Prize, 21
 - World Health Day, 75
 - World Report on Road Traffic Injury Prevention, 75–76
 - World Summit on Sustainable Development, 3, 28, 71
 - World Trade Organization, 18

Abbreviations and Acronyms

ADB	Asian Development Bank	FRESH	Focusing Resources on Effective School Health
AfDB	African Development Bank	FSAP	Financial Sector Assessment Program
AiDA	Accessible Information on Development Activities	FSE	financial sector
AIDS	acquired immune deficiency syndrome	FTI	Fast-Track Initiative
ARDE	<i>Annual Review of Development Effectiveness</i>	GAVI	Global Alliance for Vaccines and Immunization
ARPP	Annual Review of Portfolio Performance	GDLN	Global Development Learning Network
AVU	African Virtual University	GDN	Global Development Network
Bank	World Bank (IBRD and IDA)	GDP	gross domestic product
BCEAO	Central Bank of West African States	GEF	Global Environment Facility
Board	the World Bank Group Board of Executive Directors	GFATM	Global Fund to Fight AIDS, Tuberculosis, and Malaria
CAE	Country Assistance Evaluation	GGFR	Global Gas Flaring Reduction Partnership
CAS	Country Assistance Strategy	GHG	greenhouse gas
CCO	Committee of Cosponsoring Organizations	GNI	gross national income
CDD	community-driven development	HDN	human development
CDF	Comprehensive Development Framework	HIPC	heavily indebted poor countries
CEE	Central and Eastern Europe	HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
CGAP	Consultative Group to Assist the Poorest	HNP	health, nutrition, and population
CGIAR	Consultative Group on International Agricultural Research	IADB	Inter-American Development Bank
CIS	Commonwealth of Independent States	IATT	Inter-Agency Task Team
CODAM	Committee on Executive Directors' Administrative Matters	IAVI	International AIDS Vaccine Initiative
CODE	Committee on Development Effectiveness	IBRD	International Bank for Reconstruction and Development
COGAM	Committee on Governance and Executive Directors' Administrative Matters	ICA	investment climate assessment
CPIA	Country Policy and Institutional Assessment	ICFTU	International Confederation of Free Trade Unions
CRN	Country Re-engagement Note	ICP	Global International Comparison Program
CSOs	civil society organizations	ICR	Implementation Completion Report
CWM	China Watershed Management Program	ICSID	International Centre for Settlement of Investment Disputes
DAC	Development Assistance Committee (of the OECD)	ICT	information and communication technology
DC	Development Committee	IDA	International Development Association
DEC	Development Economics and Data Group	IDA-13	13th Replenishment of IDA
Dfid	Department for International Development	IFAD	International Fund for Agricultural Development
DOTS	directly observed treatment, short course	IFC	International Finance Corporation
EBRD	European Bank for Reconstruction and Development	ILO	International Labour Organization
EC	European Commission	IMF	International Monetary Fund
EEP	Education Enhancement Project	IMFC	International Monetary and Financial Committee
EFA	Education for All	<i>InfoDev</i>	Information for Development Program
ESMAP	Energy Sector Management Assistance Programme	InfoShop	Information Shop at the World Bank
ESSD	environmentally and socially sustainable development	INSOL	International Federation of Insolvency Practitioners
ESW	economic and sector work	INT	Department of Institutional Integrity
EU	European Union	IPAA	International Partnership against AIDS in Africa
FAO	Food and Agriculture Organization	I-PRSP	Interim Poverty Reduction Strategy Paper
FIRST	Financial Sector Reform and Strengthening Initiative	ISDB	Islamic Development Bank

ITAC	International Treatment Access Coalition	RTFP	Regional Trade Facilitation Project
LIBOR	London InterBank Offered Rate	SADC	Southern Africa Development Community
LICUS	low-income countries under stress	SARS	sudden acute respiratory syndrome
MAP	Multicountry HIV/AIDS Program	SDC	Swiss Agency for Development and Cooperation
MDB	multilateral development bank	SDP	Strategic Directions Paper
MDGs	Millennium Development Goals	SDRs	special drawing rights
MIGA	Multilateral Investment Guarantee Agency	SME	small and medium enterprise
NEPAD	New Partnership for Africa's Development	SPA	Strategic Partnership with Africa
NERICA	New Rices for Africa	SRM	strategy and resource management
NGO	nongovernmental organization	SSP	Sector Strategy Paper
NPV	net present value	SWAP	sectorwide approaches
NSCP	National Schistosomiasis Control Program	TA	technical assistance
NWFP	North-West Frontier Province	TB	tuberculosis
OBA	output-based aid	TCP	Technical Cooperation Program
ODA	official development assistance	TRIPS	trade-related aspects of intellectual property rights
OECD	Organisation for Economic Co-operation and Development	TSS	Transitional Support Strategy
OED	Operations Evaluation Department	U.N.	United Nations
OPEC	Organization of the Petroleum Exporting Countries	UNAIDS	Joint United Nations Programme on HIV/AIDS
PACT	Partnership for Capacity Building in Africa	UNCTAD	United Nations Conference on Trade and Development
PAHO	Pan American Health Organization	UNDP	United Nations Development Programme
PCF	Prototype Carbon Fund	UNEP	United Nations Environment Programme
PEFA	Public Expenditure and Financial Accountability	UNESCO	United Nations Educational, Scientific, and Cultural Organization
PHRD	Policy and Human Resources Development Fund	UNGASS	United Nations General Assembly Special Session
PNoWB	The Parliamentary Network on the World Bank	UNHCR	United Nations High Commission for Refugees
PREM	poverty reduction and economic management	UNICEF	United Nations Children's Fund
PREM	Poverty Reduction and Economic Management (network)	UNIDO	United Nations Industrial Development Organization
PRGF	Poverty Reduction and Growth Facility	USAID	U.S. Agency for International Development
PRSC	Poverty Reduction Support Credit	WBI	World Bank Institute
PRSP	Poverty Reduction Strategy Paper	WCL	World Confederation of Labour
PRSTF	Poverty Reduction Strategy Trust Fund	WDR	<i>World Development Report</i>
PSI	private sector and infrastructure	WHI	Western Hemisphere Payments and Securities Clearance and Settlement Initiative
PSI	Private Sector Development and Infrastructure Network	WHO	World Health Organization
PSIA	poverty and social impact analysis	WSSD	World Summit on Sustainable Development
PTI	Program of Targeted Interventions	WTO	World Trade Organization
QAG	Quality Assurance Group		
ROSC	Report on the Observance of Standards and Codes		

Select World Bank Publications: Major Titles

- 2002 Annual Review of Development Effectiveness:
Achieving Development Outcomes: The Millennium
Challenge
- Achieving Universal Primary Education by 2015:
A Chance for Every Child
- African Development Indicators 2003
- Agriculture and the WTO: Creating a Trading System
for Development
- Agriculture, Trade, and the WTO: Creating a Trading
Environment for Development
- Analyzing and Managing Banking Risk, 2nd edition
- Annual World Bank Conference on Development
Economics 2003: The New Reform Agenda
- Annual World Bank Conference on Development
Economics, Europe 2003: Toward Pro-Poor Policies—
Aid, Institutions, and Globalization
- Brazil—Equitable, Competitive, Sustainable
- Breaking the Conflict Trap: Civil War and Development
Policy
- Can East Asia Compete? Innovation for Global Markets
- Cities on the Move: A World Bank Urban Transport
Strategy Review
- Colombia: The Economic Foundation of Peace
- Crisis and Dollarization in Ecuador: Stability, Growth,
and Social Equity
- Doing Business in 2004: Understanding Regulation
- Domestic Regulation and Service Trade Liberalization
- East Asia Integrates: A Trade Policy Agenda for
Shared Growth
- Empowerment and Poverty Reduction: A Sourcebook
- Financial Sector Policy for Developing Countries
- Globalization and National Financial Systems
- Global Development Finance 2003: Striving for Stability
in Development Finance
- Global Economic Prospects 2003: Investing to Unlock
Global Opportunities
- HIV/AIDS in Latin America: The Challenges Ahead
- HIV/AIDS in Southeastern Europe: Case Studies
from Bulgaria, Croatia, and Romania
- India and the WTO
- Innovations in Health Service Delivery: The
Corporatization of Public Hospitals
- Innovative East Asia: The Future of Growth
- Investment Climate Around the World: Voices of the
Firms from the World Business Environment Survey
- Land Policies for Growth and Poverty Reduction
- The Little Data Book 2003
- The Little Green Data Book 2003
- Moving People to Deliver Services
- Natural Resources and Violent Conflict: Options
and Actions
- Pension Reform in Europe: Process and Progress
- Private Participation in Health Services
- Promoting Intellectual Property in Developing
Countries
- Regional Integration and Development
- The Right to Tell: The Role of Mass Media in Economic
Development
- Social Reinsurance: A New Approach to Sustainable
Community Health Financing
- A Sourcebook for Poverty Reduction Strategies
- Standards and Global Trade: A Voice for Africa
- Taxation of Financial Intermediation: Theory
and Practice for Emerging Economies
- Tobacco Control Policies: Strategies, Successes,
and Setbacks
- When Things Fall Apart: Qualitative Studies of Poverty
in the Former Soviet Union
- World Bank Africa Database 2003 CD-ROM
- World Bank Atlas 2003
- The World Bank Group Directory: 2002 November
- World Bank Legal Review: Law and Justice for
Development
- World Development Indicators 2003
- World Development Report 2003: Sustainable
Development in a Dynamic World: Transforming
Institutions, Growth, and Quality of Life
- World Development Report 2004: Making Services
Work for Poor People

Some titles above are abbreviated.

Phone: 703-661-1580

E-mail: books@worldbank.org

Internet: www.worldbank.org/publications

InfoShop

Phone: 202-458-4500

E-mail: infoshop@worldbank.org

Internet: www.worldbank.org/infoshop

The World Bank InfoShop, located in Washington, D.C., is a one-stop shop for economic development literature and a source of information on World Bank project activities. It carries publications from a variety of publishers—including nongovernmental organizations and international organizations—as well as documents per the World Bank's disclosure policy requirements. It also carries videos, CD-ROMs, gifts, and other items. Several InfoStations allow public access to the World Bank Web site. Country-specific information can also be obtained from Public Information Centers/Libraries in several country offices worldwide. *Please visit us on the Web for more information and to browse titles and to place orders anytime.*

Internet: www.worldbank.org/infoshop
E-bookstore: www.worldbankinfoshop.org
Address: 701 18th St., NW
Washington, D.C. 20433
(corner of 18th St. and Pennsylvania Ave.
9:00 A.M.–5:00 P.M.; Mon–Fri)
E-mail: pic@worldbank.org
Telephone: 202-458-4500 (9:30 A.M.–3:30 P.M.)
Fax: 202-522-1500

PIC Europe in Paris at
66 Avenue d'Iena
75116 Paris, France
Telephone: 40.69.30.26
Fax: 40.69.30.69
E-mail: pparis@worldbank.org

PIC Tokyo: Fukoku Seimei Bldg. 10-F,
Uchisaiwai-Cho 2-2-2, Chiyoda-Ku,
Tokyo 100, Japan
Telephone: 03.3597.6650
Fax: 03.3597.6695
E-mail: ptokyo@worldbank.org (in English)
pic@worldbanktokyo.or.jp (in Japanese)

Copyright © 2003
The International Bank for Reconstruction
and Development / THE WORLD BANK
1818 H Street, NW
Washington, D.C. 20433 USA

All rights reserved

The boundaries, colors, denominations, and other information shown on any map in this volume do not imply on the part of the World Bank any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

All queries on rights, licenses, and permissions should be addressed to:
World Bank
Office of the Publisher
1818 H Street NW
Washington, D.C., 20433
Fax: 202-522-2422
E-mail: pubrights@worldbank.org

ISSN 0252-2942
ISBN 0-8213-5594-5

Editor

Cathy L. Gagnet, Office of the Publisher, External Affairs, World Bank

Assistant to the Editor

Caroline L. Banton, Office of the Publisher, External Affairs, World Bank

Contributing Editor

Carollyne Hutter

Production

Mark Ingebretsen, Office of the Publisher, External Affairs, World Bank
Monika D. Lynde, Office of the Publisher, External Affairs, World Bank
Mary C. Fisk, Office of the Publisher, External Affairs, World Bank

Project Assistant

Tad Doyle

Editorial Consultants

UpperCase Publication Services
Grammarians, Inc.

Design

Patricia Hord.Graphik Design

Typesetting

Interactive Composition Corporation

Printing

Graphic Communications, Inc.

Photo Credits

Cover, World Bank	page 45, World Bank
page 1, World Bank/ Frank R. Vincent	page 59, Nasim Kassum
page 2, State Council Information Office, China	page 60, World Bank
page 4, Michele Iannacci	page 63, World Bank
page 8, World Bank	page 65, World Bank
page 8, Eli Reed, <i>A Day in the Life of Africa.</i>	page 67, Lynn Fieda
page 9, Richard Lord	page 69, World Bank
page 9, Keppel FELS Energy Pte. Ltd.	page 70, World Bank
page 9, Government of the Kingdom of Morocco	page 73, John Fiege
page 11, World Bank	page 78, World Bank/ Samuel Munzele Maimbo
page 12, Reidar Kvam	page 79, World Bank
page 13, World Bank	page 82, Nigerian photographer
page 14, World Bank	page 85, World Bank
page 14, World Bank	page 89, Arne Hoel
page 14, World Bank	page 91, Arne Hoel
page 14, Michael Foley	page 95, World Bank
page 15, World Bank	page 100, Richard Lord
page 15, World Bank	page 102, Richard Lord
page 15, Didem Ayvalikli	page 105, Nick van Praag
page 15, World Bank	page 106, Chara Tsitoura
page 21, World Bank	page 110, Cecilia Guzman
page 27, Leo Mariboli	page 111, Sebastian Szyd
page 30, World Bank	page 115, World Bank/ Peter Koenig
	page 117, Bill Lyons
	page 119, World Bank/ Frank R. Vincent

THE WORLD BANK MISSION

TO FIGHT POVERTY WITH PASSION AND PROFESSIONALISM FOR LASTING RESULTS.

TO HELP PEOPLE HELP THEMSELVES AND THEIR ENVIRONMENT BY PROVIDING RESOURCES, SHARING KNOWLEDGE, BUILDING CAPACITY, AND FORGING PARTNERSHIPS IN THE PUBLIC AND PRIVATE SECTORS.

TO BE AN EXCELLENT INSTITUTION ABLE TO ATTRACT, EXCITE, AND NURTURE DIVERSE AND COMMITTED STAFF WITH EXCEPTIONAL SKILLS WHO KNOW HOW TO LISTEN AND LEARN.



THE WORLD BANK
1818 H Street, NW
Washington, DC 20433 USA
Telephone: 202 473 1000
Facsimile: 202 477 6391
Internet: www.worldbank.org
E-mail: feedback@worldbank.org



ISBN 0-8213-5594-5