

MESSAGE FROM THE PRESIDENT OF THE WORLD BANK AND CHAIRMAN OF THE BOARD OF EXECUTIVE DIRECTORS



2008 has been an important year for the World Bank Group. I am pleased to introduce an Annual Report that captures the progress we have made so far and the work ahead of us.

This year, we have developed six strategic priorities to focus our effort.

We are giving particular attention to the poorest countries, especially in Africa. Bringing opportunity and growth to these countries means quality education, especially for girls; addressing disease, malnutrition, and clean water; and many other social development topics. It involves a growth agenda: infrastructure, energy, regional integration linked to global markets, and a healthy private sector. This past year, we achieved a record-setting IDA15 of \$41.7 billion, representing a 30 percent increase over IDA14. We launched an initiative to link Sovereign Wealth Funds with equity investment in Africa, to help sub-Saharan Africa reach its potential as another pole of growth for the global economy.

The Bank Group is focused on development in states in fragile situations or affected by conflict—the modern version of the challenge the Bank faced after World War II, when the International Bank for Reconstruction and Development helped reconstruct Europe and Japan. Today, we are trying to help Liberia, Afghanistan, Haiti, Kosovo, and others.

We are addressing the challenges of Middle Income Countries. This year, we achieved the first reduction in loan prices in over a decade, along with simplification of processes, extension of maturities, and improved access to risk management tools. We are developing a host of knowledge and financial services to help these important clients, and working with them as they expand their activities in other countries, so as to broaden and diversify the stakeholders in the international economic system.

The Bank is increasing work on global public goods, from HIV/AIDs, avian influenza, malaria, TB, and health systems to pull this work together, to the challenges of global climate change, both adaptation and mitigation. We launched the Forest Carbon Partnership Facility and Carbon Partnership Facility, and the Board approved our new Climate Investment Funds. Those initiatives will help developing countries test new approaches and pursue lower-carbon growth paths.

In the Arab World, even those countries that are rich in resources are facing demographic challenges, and they will need to find ways to generate jobs, broaden their growth, and create hope. We have been advancing areas of cooperation, including Islamic finance, water, and education.

We are also forming new partnerships, gaining knowledge and valuable experience, and leveraging the best global knowledge to support development. This involves focusing on serving our clients and ensuring that we are devoting attention

to solving problems, not just analyzing them. This may be our most vital task, and we have much work ahead of us.

The Bank Group has been especially focused on responding to high food and energy prices. We are working with the UN and other international partners to identify particularly vulnerable countries requiring immediate assistance. The Bank Group created a \$1.2 billion Global Food Crisis Response Program to respond quickly to the needs of our clients, and we are assisting countries to increase production and productivity across the agricultural value chain, to transform today's food problem into a growth opportunity. The Bank Group is also working to address short-term needs, and scaling up public and private sector projects that enhance sustainable energy access for the poor, efficiency of energy consumption and/or supply, and diversification of energy sources to reduce risk.

We are completing the implementation of the recommendations of the Volcker Report, to enhance transparency and prevention, clarify responsibilities, strengthen follow-up actions when we discover fraud and corruption, and make us a stronger institution. We also launched our Governance and Anti-Corruption (GAC) strategy, a key foundation for our development work.

During fiscal 2008 the Bank Group committed \$38.2 billion in loans, grants, equity investments, and guarantees to its members and to private businesses in member countries—an increase of \$3.9 billion (11.4 percent) from fiscal year 2007.

IDA commitments were \$11.2 billion, 5 percent lower than the previous year. IBRD commitments in fiscal 2008 totaled \$13.5 billion. IFC committed \$11.4 billion for its own account and mobilized an additional \$4.8 billion for 372 private sector investments in developing countries, more than 40 percent of which were in IDA countries. Of MIGA's \$2.1 billion in guarantees, \$690 million went to projects in IDA-eligible countries. MIGA's exposure in IDA countries now stands at \$2.3 billion, representing 35.6 percent of its portfolio.

We have built a good momentum, yet we have much to do to advance an inclusive and sustainable globalization that offers opportunities for all our client countries and their peoples.

In closing, I want to thank the dedicated staff of the World Bank Group, in Washington and in offices in over one hundred other countries, who are committed to transforming us into a more dynamic, flexible, and innovative institution. I also want to thank our Board of Directors, the Governors, and our many contributors and partners. To be most effective and successful, we will need their ongoing help and counsel.

A handwritten signature in black ink that reads "Robert B. Zoellick". The signature is written in a cursive style.

Robert B. Zoellick