



World Bank Update

PARLIAMENTARY NEWSLETTER

May 2009



Photos: Jean-Louis Christ

PARLIAMENTARY FIELD VISIT TO THE DEMOCRATIC REPUBLIC OF CONGO

From 11 to 17 April, a group of eight parliamentarians from donor and recipient countries participated in a field visit to the Democratic Republic of Congo organized by the World Bank in cooperation with the Parliamentary Network on the World Bank (PNoWB).

During conversations with local parliamentarians, government, donors, World Bank staff, CSOs and the private sector they gained insight into the enormous challenges that Congo faces and the response of the World Bank Group. Topics raised by the visiting parliamentarians included natural resources, the business climate, women's rights and good governance.

The parliamentarians from Cameroon, Canada, the Central African Republic, France, Ghana, Ivory Coast, Sweden and the UK visited various World Bank sponsored projects throughout the country's capital Kinshasa: a school for girls, a market, a medicine distribution center and a blood bank. "Good projects" blogged one of them "But a lot more needs to be done." The group also visited the Inga dam in the South of Congo. The Inga power complex has tremendous potential, with some estimates indicating that it may supply energy for as many as 500 million households across Africa. However, because of years of neglect in infrastructure maintenance, power

shortages have become the norm rather than the exception. The World Bank is helping finance investments in the energy sector at the regional level, including through the rehabilitation of the Inga power plant.

As part of the visit the World Bank Institute (WBI) organized a capacity building session for Congolese and other parliamentarians. The session focused on parliament's role in the budget and poverty reduction strategy processes and included case studies from Cameroon and Ghana. Subsequent discussion underlined Congolese parliamentarians' limited capacity to date and their desire to become engaged as key stakeholders in the Poverty Reduction Strategy process. Revisions to the current Poverty Reduction Strategy will begin this summer.

At the end of the visit, the parliamentarians shared their thoughts and recommendations with World Bank Country Director Marie Françoise Marie-Nelly and her staff, who manage one of the biggest World Bank programs in Africa. It comprises seven emergency projects and nine sector programs and thus reflects the gradual evolution from emergency aid to sustainable development. New engagements for the fiscal year 2009 amount to 555 million USD. This engagement is necessary, as Congo's GDP per cap-

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ita is one of the lowest in the world and the post-conflict country ranks 167 out of 177 on the Human Development Index. Life expectancy is 43 years and more than 20% of the children do not reach their fifth birthday.

The field visit program is supported by the Finnish government. It demonstrates to parliamentarians the practice of development cooperation in general, and the World Bank in particular, as well as the related challenges and benefits. Participants may use this knowledge to strengthen their contributions to debates in their home parliament. Field visits can also be used as a benchmarking exercise (especially for parliamentarians from developing countries) and as an opportunity to exchange views and experiences with colleagues. Countries visited previously include Niger, Cambodia, Haiti, Mozambique, Kenya, Lao, Rwanda, Yemen, Vietnam, Ghana, Madagascar, Nicaragua, Serbia and Montenegro, Ethiopia, Albania, Burundi, Uganda and Nigeria.

SPRING MEETINGS HIGHLIGHTS

April 25-26, 2009, Washington, D.C.

At the Spring Meeting of the Development Committee, Governors supported the initiatives the Bank has taken to address the financial crisis. In their final communiqué, they urged continued rapid responsiveness with a focus

on long-term development and the MDGs and on climate change. They called for more resources for multilateral institutions to enable greater responsiveness and prevention. And they committed to moving on the voice issue (influence of developing countries within the World Bank). The communiqué cited specifically the following initiatives—many of which are designed to mobilize more public and private resources—for “timely

Annual Meetings, in case more resources are needed.

Over the weekend, it was announced that Germany and France were the first countries to join IFC’s Infrastructure Crisis Facility. The facility was launched Saturday along with a \$45 billion Infrastructure Recovery and Assets Platform. In total, more than US\$55 billion will be mobilized over the next three years to infrastructure projects in developing countries. The



- the Vulnerability Financing Facility and the IFC’s Microfinance Enhancement Facility
- IFC’s Global Trade Finance and Global Trade Liquidity programs
- the Infrastructure Recovery and Assets Platform;
- and such private sector support as the IFC’s Capitalization Fund and MIGA’s guarantees in Eastern Europe.
- Governors also supported IBRD lending of up to \$100 billion over the next three years along with a request for review of capacity and capital adequacy before

global financial crisis has depressed investments in infrastructure projects, particularly in developing countries. Infrastructure projects are widely recognized as key to job creation and laying the ground work for future productivity and growth.

Earlier, the World Bank announced that safety net spending would triple and that health and education would get a significant boost.

More information at <http://www.imf.org/external/spring/2009/index.htm>



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SELECTION OF UPCOMING ACTIVITIES FOR PARLIAMENTARIANS

E-learning courses for parliamentary staff

The World Bank Institute (WBI) and the Commonwealth Parliamentary Association (CPA) have developed a course to support Parliaments in fulfilling their role in the governance process. The 13 modules for parliamentary staff who seek to advance democracy by are publicly available on the internet. Participants can read through the modules, or they can follow a moderated course that allows interaction with the moderator and other participants. The moderated e-learning course on Parliamentary Committees will start on May 4.

More information at
www.parliamentarystrengthening.org

Consultations on Country Assistance Strategies (CAS)

The World Bank regularly engages parliamentarians and other constituencies in CAS consultations in country offices. For example, in Africa, consultations with national parliaments were held for Country Assistance Strategies that have been or will soon be sent to the Board (Republic of Congo, Sechelles (Interim Strategy Note), Liberia). In other countries, consultations are on-going or planned. In-country consultations on the Bank's

Country Assistance Strategie will start in Cameroon on May 4th. Also in May, consultations will be held on the Joint World Bank Group/African Development Bank Country Partnership Strategy for the Central African Republic. Bank offices in these countries plan to involve parliamentarians and some preliminary discussions have already taken place.

4 May World Bank briefs parliamentarians at Head Quarters

Just after the Spring Meetings a group of about thirty parliamentarians from the Parliamentary Network on the World Bank (PNoWB) and NATO Parliamentary Assembly (NATO PA) will visit the World Bank Head Quarters in Washington. They will meet senior World Bank staff to discuss the financial crisis, fragile states, climate change and food security.

For more information please contact
evandamme@worldbank.org

4-7 May Seminar on legislative oversight in Latin America, Helsinki, Finland

During this 3-day seminar organized by the World Bank Institute (WBI) in partnership with the Parliament of Finland, legislators and legislative staff from Latin America will examine the role of the legislature in the budget process. The content of the seminars draws on the recent WBI book "Legislative Oversight and Bud-

geting: A World Perspective" and the WBI Working Paper "Budget Institutions and Fiscal Responsibility: Parliaments and the Political Economy of the Budget Process in Latin America". Approximately 25 legislators and legislative staff from Mexico, Peru, Paraguay, Honduras, Nicaragua, Guatemala, and the Dominican Republic will attend the event.

For more information please contact
asampson1@worldbank.org

9 May World Bank Director Edith Grace Ssempala addresses AWEPA Council

During a meeting of the Association of European Parliamentarians for Africa (AWEPA), World Bank Director Edith Grace Ssempala will discuss development aid with the AWEPA Council. The Council is AWEPA's highest political body and counts 30 representatives from the AWEPA sections in the European Parliament and the national parliaments of Europe.

May activities of World Bank Institute (WBI) Parliamentary Strengthening Program

In May, WBI will organize parliamentary strengthening activities in Bangladesh, Ghana, Liberia, Sierra Leone, South Sudan, Switzerland, Tanzania, Washington DC.

More information at
www.worldbank.org/wbi/governance/parliament/index.html



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PUBLICATIONS

RECENT PUBLICATIONS ON AND FOR PARLIAMENTARIANS

Legislative Oversight and Budgeting

In the recently published WBI guide 'Legislative Oversight and Budgeting' academics and legislative strengthening practitioners examine parliaments' oversight function. Good parliamentary oversight is critical to increase public financial accountability, curb corruption and contribute to poverty reduction. Oversight tools available to parliamentarians vary from one country to another and are described through country case studies including practical accounts drawn from the experience of legislators. The book studies the budget process from the formulation and approval of the budget to implementation and ex-post examination of public accounts. Special



attention is paid to mechanisms to assist parliamentarians such as Public Accounts Committees and independent Parliamentary Budget Offices. The guide is an instructive reference tool for parliamentary staff, legislative strengthening practitioners and students of legislative development.

More information at <http://go.worldbank.org/T1ADBIXN10>

Governance News and Notes: Newsletter for the Middle East and North Africa (MENA)



Governance News & Notes is an e-mail publication of the World Bank's Middle East and North Africa Vice Presidency. It intends to keep practitioners, legislators, academics, NGOs, members of the donor community and other interested parties informed about important developments in the field of governance and public management throughout the MENA region.

Please find the latest issue on <http://go.worldbank.org/1PQQT25N50>

RECENT WORLD BANK PUBLICATIONS

Global Monitoring Report 2009: A Development Emergency



The global financial crisis is imperiling attainment of the 2015 Millennium Development Goals (MDGs) and creating an emergency for development, warned the Global Monitoring Report 2009, released on April 24. Most of the eight globally agreed goals are unlikely to be met, including those related to hunger, child and maternal mortality, education, and progress in combating HIV/AIDS, malaria and other major diseases. Although the first goal of halving extreme poverty by 2015 from its 1990 level is still reachable based on current projections, risks abound. Indeed, new estimates show that more than half of all developing countries could experience a rise in the number of extreme poor in 2009. This proportion is likely to be still higher among low-income countries and countries in Sub-Saharan Africa—two-thirds and three-quarters, respectively.

More information at: <http://go.worldbank.org/VQMEYED00>



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Sounds from the classroom; Education for All Fast Track Initiative



This publication by the Education for All Fast Track Initiative (EFA FTI) was launched on April 20 and describes how basic education programs in five countries supported by the EFA FTI partnership (Ghana, Guyana, Madagascar, Mongolia and Yemen) have positively impacted the lives of children, parents and communities. The guide states that almost all countries endorsed by the EFA FTI are on track to achieve a primary school completion rate of at least 80 percent by 2015. In sub-Saharan Africa alone, the countries supported by the EFA FTI, an international partnership established in 2002 to help achieve universal primary education, saw a net gain of 15 million primary school students over a six-year period.

More information at:
<http://www.education-fast-track.org/>

From Poor Areas to Poor People: China's Evolving Poverty Reduc- tion Agenda

On April 8, the World Bank released its poverty assessment report for China. The report brings together find-

ings from multi-year analytical work undertaken by the World Bank on a policy-oriented assessment of poverty and inequality in China and includes recommendations. A central theme of the report is that while over the last quarter of a century more than half a billion people were lifted out of poverty in China, there is still a lot to be done. Indeed, measured by international standards the number of poor remains high, with China being home to the world's second largest number of poor in any country (after India).

More information at:
<http://go.worldbank.org/VAU7RKQZ60>

East Asia and Pacific Update: Battling the Forces of Global Recession

As countries in the East Asia and Pacific region prepare themselves for an expected surge in unemployment resulting from the global slowdown, China's economy shows signs of bottoming out by mid-2009, says the World Bank's latest half-yearly assessment of the region's economic health published on April 7. A recovery in China – fueled largely by the country's huge economic stimulus package – is likely to begin this year and take full hold in 2010, potentially contributing to the region's stabilization, and perhaps recovery. But with China still heavily reliant on exports to world markets that continue to contract, the Update warns that a truly sustainable recovery in the East Asia

and Pacific region ultimately depends on developments in the advanced economies.

Full report, please visit:
www.worldbank.org/eapupdate

Global Economic Prospects Update



GDP growth in the developing world will slow to 2.1 percent in 2009 from 5.8 percent in 2008, according to World Bank estimates released on March 31. The Bank has more than halved its November 2008 projection of 4.4 percent growth in developing countries in 2009, reflecting the rapid deterioration of global financial and economic conditions. The new Global Economic Prospects Update also notes that global growth is expected to contract by 1.7 percent this year. This would be the first decline in world output since World War II.

More information at
<http://go.worldbank.org/W8KF9G5660>



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WORLD BANK NEWS, PROGRAMS AND FACILITIES

World Bank to Triple Protection for the Vulnerable in Wake of Economic Crisis

The World Bank announced on April 21st that its investments in safety nets and other social protection programs in health and education are projected to triple to \$12 billion over the next two years in order to protect the most vulnerable people from the worst effects of the global economic crisis. As part of this step-up in support, the Bank is increasing its fast track facility for the food price crisis to US\$2 billion from US\$1.2 billion to further help countries with the on-going food crisis. The Bank's response reflects increasing concern that the current economic climate is pushing more people in the developing world into poverty, facing hunger and likely cut-backs in health, education, and other social programs.

More information at
<http://go.worldbank.org/240L9UEVS0>

Global Crisis Prompts Big Rise in World Bank Health and Education Financing

The World Bank said on April 24 that it was mobilizing up to \$3.1 billion this year in health financing to help poor countries battle threats to their social services during the global economic crisis. This effectively triples

Bank support from \$1.0 billion last year and will be used to strengthen health systems in poor countries, boost their performance in preventing and treating communicable diseases, and improving child and maternal health, hygiene and sanitation.

The Bank also said it was doubling its education financing this year in low- and middle-income countries to \$4.09 billion. At the same time, the Bank brought out a new report "Averting a Human Crisis During the Global Downturn: Policy Options from the World Bank's Human Development Network".

More information at
<http://go.worldbank.org/XA8DP351Z0>

Partnership to bring affordable malaria drugs to all who need them



The Global Fund

On April 17th, a \$225 million partnership was launched to put affordable life-saving malaria drugs within reach of millions of people, especially children, in sub-Saharan Africa and Asia. "The Affordable Medicines Facility for malaria is a breakthrough in global health," said Robert B. Zoellick, President of the World Bank Group. "It will help to treat the millions of

people who suffer from malaria illness and death every year and prolong the effectiveness of new anti-malarial medicines. We are pleased the World Bank Group could help create and support the new Facility, and we are appreciative that the Global Fund will now lead its implementation." The new initiative will reduce the price of effective malaria drugs so they can drive older, ineffective drugs out of the market.

More information at
<http://www.theglobalfund.org/en/>

World Bank to increase support for trade facilitation in poor countries

On April 7th, the World Bank Group launched a US\$40 million multi-donor trust fund to help countries improve their competitiveness and reduce trading costs through measures such as improving infrastructure, transport logistics and customs procedures. "International trade is key for poverty reduction, economic growth and employment, but the financial crisis is making transaction costs more expensive," said Obiageli Ezekwesili, World Bank Vice President for Africa. "The Trade Facilitation Facility will help poor countries reduce their trading costs and increase their competitiveness –both necessary ingredients for an economic recovery." Due to the global recession, volumes of trade in goods and services are expected to



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drop 6.1 percent in 2009, with a significantly sharper contraction in trade volumes of manufacturing products, according to World Bank data.

More information at:

<http://go.worldbank.org/7F3Q29K3N0>

World Bank supports financial platform for pilot vaccine program



On April 3rd, the World Bank's Board of Executive Directors has approved a financial platform for a pilot vaccine program that will benefit millions of children in the developing world. The Advance Market Commitment (AMC) pilot will help accelerate the creation of a viable market for pneumococcal vaccines by providing up-front financing for incremental costs of vaccine production to meet demand from developing countries. An AMC is a commitment to finance the future purchase, up to a pre-determined price, of a vaccine needed in developing countries. Pneumococcal infections are the largest killers of children world-

wide. Immunization is estimated to prevent more than two million deaths globally each year from infectious diseases. Yet, there has been chronic underinvestment in suitable new vaccines. It is estimated that AMC funds will help immunize nearly 700 million infants, directly preventing about 2.8 million deaths through 2020. In addition, it is estimated that the accelerated introduction of pneumococcal vaccines will prevent another 4.9 million deaths.

More information at:

<http://go.worldbank.org/1F86FGNFR0>

World Bank Group announces New Financial Crisis Initiative

On April 1st, the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group, announced an initiative to support financial flows from their subsidiaries in countries that have been hit by the financial crisis. The initiative will provide extended support to financial institutions seeking political risk insurance on cross-border investments for recapitalization or liquidity support to their subsidiaries in such markets.



banks subsidiaries in countries that have been hit by the financial crisis.

More information at:

<http://go.worldbank.org/NJION6M2E0>

Global Trade Liquidity Program to Provide up to \$50 Billion Boost to Trade

On April 2nd, the World Bank Group announced the launch of a coordinated global initiative that brings together governments, development finance institutions (DFIs), and private sector banks to support trade in developing markets and address the shortage of trade finance resulting from the global financial crisis. The Global Trade Liquidity Program will begin operations in May, channeling much-needed funds to back trade in developing countries. With targeted initial commitments of \$5 billion from public sector sources, the program should be able to support up to \$50 billion of trade. It raises funds from international finance and development institutions, governments, and banks, and it works through global and regional banks to extend trade finance to importers and exporters in developing countries.

More information at:

<http://go.worldbank.org/5RGYD1TRY0>

Voice and participation: High Level Commission and reforms

The World Bank announced end March the membership of an independent, high-level commission tasked with making recommendations on how the institution is governed so that it can better fulfill its mission of overcoming



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global poverty. The Commission was created by World Bank Group President, Robert B. Zoellick in October 2008 to focus on the modernization of World Bank Group governance so the World Bank Group can operate more dynamically, effectively, efficiently, and legitimately in a transformed global political economy. It will report back at the World Bank Group's October 2009 Annual Meetings. The 12 members of the Commission, chaired by former Mexican President Ernesto Zedillo, have all held or hold senior positions at an international level and are drawn from developed and developing countries.



Recently, the World Bank's Board of Governors approved a first phase of reforms to increase the influence of developing countries within the World Bank Group, including adding a seat for Sub-Saharan Africa to allow developing countries a majority of seats on the Executive Board, and expanding voting and capital shares. Since Zoellick became World Bank Group President, 7 of 9 of his senior appointments have been from developing countries.



More information at
<http://go.worldbank.org/VZYL06ICK0>



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