Preventing to play its role in the Asian Century
I. REGIONAL CONTEXT

- South Asia will significantly impact the global development story. It has the world’s largest working age population, ¼ of the world’s middle class consumers, the largest number of poor and undernourished in the world, and several fragile states of global geopolitical importance.

II. STRATEGIC FRAMEWORK AND RESULTS

- The SAR strategy builds on the strong demand and unprecedented WBG access to client governments, to help South Asia capitalize on the two greatest opportunities it faces—a major demographic dividend and significant gains from greater regional cooperation.

III. OPERATIONAL RESPONSE TO LONG-TERM AND SHORT-TERM CHALLENGES

- IBRD/IDA lending will decline in FY 12 to about $8 billion, but will remain above the pre-2008 level, and SAR’s portfolio will remain one of the largest in the WBG. Activities are concentrated in investment lending, complemented by demand driven knowledge products, and improved implementation. We are responding to growing demand to facilitate regional economic cooperation.

IV. ORGANIZATIONAL SET UP TO DELIVER AND PROGRAMS

- Strong demand for lending and knowledge services is addressed by work program selectivity; decentralization of staff; coordinating with IFC, MIGA, and strong links to development partners.
I. **Regional Context: Outlook and Challenges**
South Asia is a Dynamic but Very Diverse Region

**The Region is Diverse**

**Heterogeneous:** MICs, LICs & Fragile States

**GDP per capita:** Afghanistan ($515); India ($1371); Maldives ($6773); average ($1722)

**Population:** India (1.17 billion people); Maldives (315,885 people)

**MDGs:** On track to meet some MDGs but progress severely lagging in others
SAR faces pockets of deep poverty, rising inequality, severe energy shortages and high rates of malnutrition.
**Headwinds from Eurozone Crisis Threaten Growth Especially because SAR Countries Have Limited Policy Space to Respond**

**South Asia: Exports to US and Eurozone in 2010** (% of Total Exports)

- **Bangladesh**: 23.4%
- **Sri Lanka**: 21.3%
- **Pakistan**: 17.2%
- **Maldives**: 18.0%
- **India**: 14.7%
- **Afghanistan**: 6.5%
- **Nepal**: 6.3%
- **Bhutan**:

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports to US</th>
<th>Exports to EZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>23.4</td>
<td>39.5</td>
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<tr>
<td>Sri Lanka</td>
<td>21.3</td>
<td>17.2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>17.2</td>
<td>24.4</td>
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<td>Maldives</td>
<td>18.0</td>
<td>10.8</td>
</tr>
<tr>
<td>India</td>
<td>14.7</td>
<td>6.5</td>
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<tr>
<td>Afghanistan</td>
<td>6.5</td>
<td>8.3</td>
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<td>Nepal</td>
<td>6.3</td>
<td>0.3</td>
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<tr>
<td>Bhutan</td>
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</table>

**Low and Stagnant Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Bangladesh</th>
<th>India</th>
<th>Nepal</th>
<th>Sri Lanka</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
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<td>2001</td>
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<td>2010</td>
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</tbody>
</table>

**Government Revenue as % of GDP**

Source: IMF, World Economic Outlook, September 2011

**High Inflation**

<table>
<thead>
<tr>
<th>Country</th>
<th>Inflation Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td></td>
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<tr>
<td>Nepal</td>
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<tr>
<td>Bangladesh</td>
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<td>Pakistan</td>
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<td>India</td>
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<td>Bhutan</td>
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<td>Sri Lanka</td>
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<td>Maldives</td>
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<tr>
<td>South Asia</td>
<td></td>
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<tr>
<td>Emerging Markets</td>
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</tr>
</tbody>
</table>

Source: IMF WEO and CEIC

**High Sovereign Debt**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Afghanistan</td>
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<td>Nepal</td>
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<td>Bangladesh</td>
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<td>Pakistan</td>
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<td>Sri Lanka</td>
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<tr>
<td>Maldives</td>
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<tr>
<td>South Asia</td>
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<tr>
<td>Latin America &amp; the...</td>
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<tr>
<td>East Asia &amp; Pacific</td>
<td></td>
</tr>
</tbody>
</table>

Source: Central Banks, IMF World Economic Outlook, World Bank staff calculations
**But SAR has significant opportunities – The large working age population holds the hope for a huge demographic gift**

- **SAR created 800,000 jobs per month between 2000 and 2010**

- **Most New Jobs at Higher Real Wages**
  - Annual increase (%) in real mean wages
  - South Asia in the 1990s-2000s
  - Bangladesh 2002-05: 1.9
  - India 1983-2010: 2.8
  - Nepal 1999-2008: 2.9
  - Pakistan 2000-09: 2.0
  - Sri Lanka 2000-08: 0.1

- **Creating Jobs Calls for Multi-Sectoral Reform Agenda**
  - **The Power Sector**: Invest and reform governance
  - Improve **nutrition in early childhood** and prioritize quality of learning at all levels of the education and training system
  - **Reform labor institutions** to protect workers not jobs

- **Dependency Ratio, OECD vs. South Asia, 1950-2050**

- **The Labor Force of the World is in SAR**
AND REGIONAL ECONOMIC COOPERATION HOLDS THE POTENTIAL FOR CONSIDERABLE GAINS IN GROWTH AND INCREASED SECURITY

Unexploited Opportunities in Trade in Goods

SAR Stands Out as a Region with Fewest Power-Sharing Schemes

South Asia Has the Lowest People to People Contacts
**Stock taking and lessons learned**

SAR continues to tighten the strategic focus of our lending and non-lending operations, while maintaining flexibility to respond to client demand.

Most trade-offs decided at the country level, given:
- Strong client demand and changing realities, including responding to global crisis, if needed
- Projects that leverage results, experience, funding and knowledge
- Opportunistic response to demand for AAA and projects with potential to integrate markets and improve connectivity in the region

**More**
- Leverage greater development impact, by using programmatic approach
- Consolidate stand-alone projects into larger sector projects
- Transformative projects at country and regional level
- Public private partnerships for infrastructure
- Innovative results-based projects while giving greater attention to regional cooperation

**Less**
- In areas where lack of government commitment makes reforms unsustainable
- Areas where IFC, and other MDBs have a comparative advantage
- Transaction intensive projects
- Projects that focus on inputs

Strategies in all countries focus on:
- Skills
- Governance and Institutions
- Business Environment
- Inclusion
- Gender Equality
- Nutrition
- Regional Integration
- Environmental Sustainability
- Disaster Management
**Country Strategies aligned with WBG Priorities**

**WBG Priorities**
- Create opportunities for employment and growth
- Target the poor and vulnerable
- Strengthen governance
- Promote global and collective action
- Manage risk and prepare for crises

**SAR Realities**
- Demographic transition, labor force will double by 2050
- Home to ½ billion poor
- Fragile states, Weak service delivery, Weak governance
- Emerging opportunities on regional integration, challenges on climate change and DRM
- Food security concerns, High export exposure to Eurozone and US, limited fiscal space, proclivity for natural disasters and conflict

**SAR Strategy**
- Facilitate rapid growth through increased private sector investment and public sector efficiency
- Improve business environment and access to finance
- Invest in high impact infrastructure, including in urban areas
- Invest in skills development; support structural shift to knowledge based economies
- Better targeted social protection and safety nets
- Support lagging regions and provide access to finance
- Focus on nutrition, education, MDGs
- Strengthen institutions for economic management and business investment
- Improve institutions for public accountability and service delivery
- Strengthen focus on results
- Address environmental health and pollution, and improve management of natural resources
- Reduce vulnerability to climate change and support adaptation and mitigation efforts
- Strengthen regional cooperation in trade, water, electricity, transport, wildlife protection
- Advise on building fiscal space and strengthening safety nets
- Include zero component to respond to shocks and natural disasters
- Reflect and pro-actively manage risks from civil strife and insurgencies
WBG working to partner with SAR in advancing the recent progress in breaking down barriers to regional cooperation.

Afghanistan-Pakistan
- Transit Trade Agreement, 2011
- Resource Corridors

India with:
- Bangladesh: Cross-border transmission of power, 2010
- Afghanistan: Strategic Partnership Agreement, 2011
- Pakistan: MFN discussions, 2011-12; Indus water treaty; Electricity connectivity + trade
- Bhutan: Power trade (ongoing) and ICT cooperation, 2011
- Sri Lanka: Private sector trade, improvements in transport connectivity, energy cooperation, 2011
- Nepal: Birganj container terminal and Nepal-India transmission line, 2011

Central Asia-Afghanistan-Pakistan
- Electricity & Gas trade
SAR STRATEGY FOR REGIONAL COOPERATION RESTS ON FIVE MAIN PILLARS

• Build on emerging view in the region that regional cooperation is key to being part of the Asian Century

• Support regional networks to promote cooperation by sharing information, and building institutional capacity through analysis, dialog, and capacity building

  ▪ Focus on trade in goods, services and electricity, people to people contact and cooperation in water resources management among Bangladesh, Bhutan, India, Pakistan and Nepal

  ▪ Strengthen regional cooperation in wildlife protection, water resource management, food security and disaster risk management

  ▪ Leverage partnerships including DFID, AusAid, South Asia Water Initiative, South Asia Food and Nutrition Security Initiative, Central Asia Water & Energy Development Program
II. STRATEGIC FRAMEWORK
LEVERAGING OUR RESOURCES THROUGH PARTNERSHIPS

TRUST FUNDS

- Integrated in overall work program to support key areas: Conflict and fragility, disaster management, gender equality, environmental sustainability & climate change, regional integration, governance and anti-corruption, creating and sharing knowledge.

- Substantial in size: In FY11, Recipient-executed resources in SAR amounted to USD 4.6 billion or about 45% of the new IBRD/IDA commitments.

- Building on MDTFs to reduce fragmentation: Shared programs in Afghanistan, Pakistan, Bangladesh and Nepal to support country programs.

- Pursuing cross-sectoral programs to align country and sector programs: South Asia Water Initiative (SAWI), South Asia Food and Nutrition Initiative (SAFANSI) and AusAID-World Bank Partnership for South Asia (PFSA).

- Continue to work on integrating TFs: In FY11, TFs were integrated into the budget planning framework.

PARTNERSHIPS

- AAA prepared/delivered jointly with donors reached 24% of outputs in FY11, up from 13% in FY06

- Co-financing of IBRD/IDA: Eight projects were co-financed in FY11 with funds from other donors, such as JICA (Japan), DFID (UK), GTZ (Germany), MOFA (Italy), USAID (US), MDTF, and ARTF

BILATERAL DONORS

Leverage resources by partnering with: AUSAID, CIDA, DFID (largest single donor), EC, Japan, Netherlands, SIDA, Spain, and USAID among others
**With Continued Emphasis on: Governance**

- New demand driven business to strengthen country systems
- Integrate governance analytics at all stages of project
- Increase GAC resources and staffing in the field
- Culture change to promote frank GAC discussions

**Graphs and Data**

- Supervision Costs ($k) per project (IBRD/IDA)
- Expenses (%) SPN to Lending

**Post Procurement Reviews 100% Compliance**
Strategic Approach to Creating and Sharing Knowledge

Completed First Flagship Report, “More and Better Jobs in South Asia”. High Impact report, policy priorities span several sectors, precursor to WDR on Jobs

Initiated second Flagship Report, “Greater Equity for Greater Development”, to be launched in 2012

Initiated AAA to support regional cooperation efforts “Regional Cooperation for Broad-Based Growth”

Systematic, well-planned and modern dissemination strategies with heavy emphasis on leveraging YOUTH networks

AAA Strategy

• Chief Economist to provide strategic focus and strong oversight on regional and country AAA.
• Strategic approach to AAA based on country-by-country reviews to ensure alignment with CAS priorities, coherence by area of engagement, and clarity of desired outcomes.
• Develop monitoring tools to keep track of the broadest definition of AAA including those that fall in the gray area between operational support and research.
III. Operational Responses to Long-Term and Short-Term Challenges
IBRD/IDA Lending by Theme, FY12 (Commitment)

Lending of about $8 billion in FY12
**Delivering Knowledge Products: AAA**

**Better-focused AAA**

**Heavily Coordinated with Donors/Country**

---

**Number of AAA**

- NLTA
- Policy Note
- ESW Report

**% of AAA prepared jointly with donors/country authorities**

- FY06: 30%
- FY07: 40%
- FY08: 59%
- FY09: 48%
- FY10: 44%
- FY11: 56%
- FY12: 47%

---

**AAA by Theme, FY12**

- Eco Mgmt, Governance: 29%
- Social dev + gender: 20%
- Infrastructure and Rural Services: 6%
- Financial + PSD: 11%
- Trade & integration: 5%
- Rural development: 3%
- Urban: 7%
- Envir & natural res: 10%

**AAA by Country, FY12**

- South Asia: 16%
- Afghanistan: 7%
- Sri Lanka: 16%
- Bangladesh: 18%
- Pakistan: 17%
- India: 18%
- Nepal: 6%
- Maldives: 2%
- Bhutan: 6%
**With Special Emphasis on: Implementation**

**Highest Net Commitment Amount of all Regions**

**Enhanced Attention on Disbursement with Focus on Young Projects**

**Quality of Design Improved, Higher than Bank Average**

**Slight Decline in Portfolio Outcomes**

**SAR Quality Assessment of the Lending Portfolio (QALP Rating)**

- **SAR-QALP-1** (29 projects)
- **SAR-QALP-2** (22 projects)
- **Bank-QALP-2** (145 projects)

**IEG Outcome Ratings (3-yr avg of Outcomes in Satisfactory Range)**

<table>
<thead>
<tr>
<th>Year</th>
<th>SAR</th>
<th>Bank-wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04-06</td>
<td>81.3</td>
<td>79.2</td>
</tr>
<tr>
<td>FY05-07</td>
<td>76.5</td>
<td>79.2</td>
</tr>
<tr>
<td>FY06-08</td>
<td>76.1</td>
<td>78.7</td>
</tr>
<tr>
<td>FY07-09</td>
<td>73.2</td>
<td>75.8</td>
</tr>
<tr>
<td>FY08-10</td>
<td>75.3</td>
<td>74.3</td>
</tr>
</tbody>
</table>
**Achieving Results**

**Afghanistan**
- 19 million people empowered by Community Development Councils (CDC)
- 25,096 km of roads constructed/rehabilitated
- 24,862 communities received financing to implement their priority sub-projects
- School enrollment increased from 1 million to 7 million children

**Bangladesh**
- Constructed 20 percent of installed capacity for electricity generation
- 10 million rural households provided with access to electricity (grid or solar)
- Girls’ enrollment in secondary schools jumped from 47% (2007) to 55% in 2012.
- More than 1,800 km of rural roads maintained

**Nepal**
- 1.2 million people with improved water supply
- 38,087 additional households with access to electricity
- 18,676 community water points constructed/rehabilitated
- 760,000 people in rural areas provided with access to improved water

**Pakistan**
- 1.9 million micro-credit loans made to communities
- School participation rate increased from 30% to 80% on average in Sindh
- Net primary enrollment increase from 45% to 62% on average in Punjab

**India**
- 13 million households formed community-manage institutions, mobilizing US$1 billion in savings
- 25 million rural people benefited from rural water supply and sanitation projects in past 15 years
- In Maharashtra, 2 million women got access to sanitation facilities.
- 20 million previously out-of-school children enrolled in elementary school by Education for All Program since 2001

**Sri Lanka**
- 200,000 households in 1,000 post-conflict villages benefited from infrastructure/productive investment
- 620 km of roads rehabilitated
- Roads in poor conditions dropped from 52% in 2005 to 38% in 2010
- 100,000 additional households with access to off-grid electricity
With one of the worst records on gender issues, SAR is drawing on the WDR 2012 findings as it intensifies its efforts to enhance gender parity in the region.

**Applying the Gender Lens**

- Undertake research and analysis
- Strategic mainstreaming across the portfolio
- Standalone gender/gender-specific projects
- Communication and capacity-building

**SAR Inclusive Approaches in Action**

- Strategic AAA on gender across countries
- South Asia Gender (SAGE) Initiative
  - Working across sectors to mainstream gender
  - Understand gender identities (women’s and men’s) across generations
  - Supporting Impact Evaluations of Rural Livelihoods projects (in India, Nepal) and gender-specific projects
- India – National Rural Livelihoods project
- Afghanistan AGI – Female Youth Employment Initiative
- Bangladesh – Northern Areas Reduction of Poverty Initiative
- Partnering with SASDU, SASHD, and SASDA on gender-focused NLTA
- Supporting regional network of self-employed rural women (SEWA)
Operationalizing the WDR 2011 on Conflict

With the global focus on AF-PK, SAR is at the forefront of finding practical solutions to the challenges of conflict and fragility. Much of the WDR 2011 framework is already in place.

<table>
<thead>
<tr>
<th>WDR 2011 Recommendation</th>
<th>SAR’s Approach to Fragility and Conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cast the Bank as part of a larger aid architecture</td>
<td>Multi-Donor Funds (in AF and KP-FATA) and Multi-Donor Sector SWAPs (Nepal) a key aspect of SAR’s business model.</td>
</tr>
<tr>
<td>Balance quick wins with longer-term institution strengthening</td>
<td>World class CDD programs (NSP in AF and PPAF in PK) bring quick benefits to communities, while public financial management, revenue mobilization, and public administration reform projects strengthen key institutions.</td>
</tr>
<tr>
<td>Integrate security, justice and jobs into development action</td>
<td>Country programs include rural livelihoods support and justice sector reform as part of development agenda.</td>
</tr>
<tr>
<td>Balance fiduciary risk against the risk of inaction/slow action</td>
<td>Use of innovative fiduciary tools like monitoring agent for all procurements and eligible expenditures.</td>
</tr>
<tr>
<td>Adjust processes, skills mix and incentives to fragile and conflict states challenges</td>
<td>Success in building national programs in AF required increase in skilled, in-country staff. Now staffing up in Pakistan.</td>
</tr>
</tbody>
</table>

Afghanistan, Pakistan, and Nepal count for 23% of field staff with HQ compensation in 35 fragile countries.
IV. ORGANIZATIONAL SET-UP TO DELIVER
MORE STAFF AND TASK MANAGEMENT IN THE FIELD

Staff decentralization to high-security areas resulted in increasing costs

Decentralization of GF+ Staff

SAR Decentralization Costs (US$m)

Decentralization of Task Management

Staff Diversity Indicators (Q1 FY12)
RESOURCES & EXPENDITURES

Increased BB Resources since FY09 for COs/Security Costs.
Continued use of BETFs

Resources Go Mainly to Client Services

BETF Expenditures Focused on AAA, while BB+ on Supervision

Bank Budget (FY12 millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>SPN</th>
<th>Lending</th>
<th>AAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>$36</td>
<td>$27</td>
<td>$20</td>
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<tr>
<td>FY10</td>
<td>$41</td>
<td>$26</td>
<td>$22</td>
</tr>
<tr>
<td>FY11</td>
<td>$37</td>
<td>$26</td>
<td>$19</td>
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BETFs (FY12 millions)

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<tr>
<th>Year</th>
<th>SPN</th>
<th>Lending</th>
<th>AAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>$11</td>
<td>$4</td>
<td>$4</td>
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<td>FY10</td>
<td>$4</td>
<td>$4</td>
<td>$5</td>
</tr>
<tr>
<td>FY11</td>
<td>$6</td>
<td>$5</td>
<td>$18</td>
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### From General Principles to Trade-Offs on the Ground

<table>
<thead>
<tr>
<th>Category</th>
<th>Country</th>
<th>More</th>
<th>Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income/Fragile</td>
<td>Afghanistan</td>
<td>Preparations for transition to lower levels of donor funds, focus on core programs</td>
<td>Fewer large infrastructure projects where ADB is taking the lead</td>
</tr>
<tr>
<td></td>
<td>Nepal</td>
<td>Regional transformative projects in power, trade and transport; climate change and disaster management; nutrition and skills</td>
<td>PSD focus areas (taken up by IFC); peace operations involving security sector reform; large AAA.</td>
</tr>
<tr>
<td></td>
<td>Bangladesh</td>
<td>Education and health; climate change and disaster management</td>
<td>Roads and railways</td>
</tr>
<tr>
<td></td>
<td>Pakistan</td>
<td>Shift to provinces, performance-based projects in education, social safety nets; energy; public revenue; agriculture; and DRM</td>
<td>Transport and mining owing to weak governance and need for reforms</td>
</tr>
<tr>
<td></td>
<td>Bhutan</td>
<td>Rural livelihood, PSD, DRM activities</td>
<td>Investment lending for HD reflecting success in establishing education infrastructure and leveling enrolment rates</td>
</tr>
<tr>
<td>Middle Income</td>
<td>India</td>
<td>Transformative projects; innovative pilots with lessons for important development challenges; and projects with high leverage potential</td>
<td>Small and fragmented projects at the state level</td>
</tr>
<tr>
<td></td>
<td>Maldives</td>
<td>Administrative reform; leveraging trust funds for work on climate change</td>
<td>Small investment projects with high transaction costs, large AAA</td>
</tr>
<tr>
<td></td>
<td>Sri Lanka</td>
<td>Health; education as foundation for knowledge hub with private sector participation; regional development and competitiveness</td>
<td>Agriculture, rural development, energy and water other than for urban development</td>
</tr>
</tbody>
</table>
### Coordinating with IFC & MIGA

#### IFC: Focusing on Inclusive Growth, Climate Change, Global/regional Integration, Infrastructure/PPP, Renewable energy, SMEs, and Investment Climate Reform

<table>
<thead>
<tr>
<th>Joint Strategies</th>
<th>Joint Investments</th>
<th>Joint Advisory Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Joint Country Strategies in Afghanistan</td>
<td>• Maharashtra State Electricity Transmission Company Ltd (MSETCL), India</td>
<td>• Afghanistan: Improving the PPP enabling environment, Doing Business reform</td>
</tr>
<tr>
<td>Bangladesh Bhutan India Maldives Nepal Pakistan Sri Lanka</td>
<td>• Power Grid, India</td>
<td>• Bangladesh: Special Economic Zones; Tax Administration and Trade Facilitation, Financial Infrastructure</td>
</tr>
<tr>
<td></td>
<td>• Micro-finance, India</td>
<td>• Bhutan: Investment Climate (FDI) support, Thimphu Bus Service PPP</td>
</tr>
<tr>
<td></td>
<td>• Jain Irrigation, India</td>
<td>• India: Solar Mission, Affordable Housing Finance, SME Banking KM and Responsible Finance, Developing the Buddhist Circuit, Coordination in LIS, Government 2 People (G2P), Chennai Metro PPP, Water Irrigation/ Agriculture PPP</td>
</tr>
<tr>
<td></td>
<td>• Tourism (e.g. Universal, Taj), Maldives</td>
<td>• Maldives: Solid Waste Management; Nepal: Payments, Investment Climate support, Regional Trade and Transportation,</td>
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<tr>
<td></td>
<td>• Climate Change support (e.g. Risk Share Facility), SL/Maldives</td>
<td>• Pakistan: KP Economic Revitalization</td>
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<td>• PADGO Risk Share Facility, Sri Lanka</td>
<td>• Sri Lanka: Doing Business and Tourism,</td>
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<td></td>
<td>• SREP, Maldives</td>
<td>• South Asia Regional Trade and Investment</td>
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<td>• Power sector (Kabeli), Nepal</td>
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<td>• Karachi Port Trust, Pakistan</td>
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#### MIGA

• MIGA exposure in South Asia is now $354m — mostly in Pakistan and Afghanistan

• Focus is on South-South transaction, infrastructure and investments in conflict affected and fragile states

• Asia hub office opened in FY11 in Singapore, which provides MIGA with greater regional presence

#### IFC Annual Financing ($bn) & Project Count

- **Total Financing**
  - FY08: 1.5
  - FY09: 1.6
  - FY10: 2.6
  - FY11: 1.7
  - FY12 (target): 2.1

- **# Projects**
  - FY08: 60
  - FY09: 45
  - FY10: 90
  - FY11: 90
  - FY12 (target): 90

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**Diagram**: Line graph showing IFC Annual Financing ($bn) with Project Count from FY08 to FY12 (target). The graph illustrates a steady increase in financing from FY08 to FY10, with a slight decrease in FY11 and a target of 2.1 billion in FY12.
CONCLUDING MESSAGES

• With its large young population, South Asia will be a critical part of the coming Asian century
• South Asia will account for a large share of the world’s labor force, especially if more women participate productively
• The narrative around regional cooperation is changing with the growing realization of the opportunities for creating jobs, sharing energy resources, mitigating climate and disaster risks, and reducing conflict through greater regional cooperation
• The SAR strategy will continue to build on strong client demand and WBG access to help:
  – Create more and better jobs by mitigating constraints on growth
  – Build skills and improve health and nutrition outcomes, both closely linked to our focus on women
  – Promote and support regional cooperation and integration
  – Strengthen governance and help the WBG become the premiere institution in achieving development impact in weak governance conditions.