

FOREWORD

Paul Wolfowitz, World Bank President



CAPACITY IS AT THE HEART OF DEVELOPMENT EFFECTIVENESS.

It is the ability of individuals, institutions, and societies to solve problems, make informed choices, define their priorities, and plan their futures. The development community recognizes that increasing resources alone will not, in and of itself, reduce poverty. The Paris Declaration on Aid Effectiveness, signed by more than 100 multilateral and bilateral donors and developing countries, states that the “capacity to plan, manage, implement, and account for results...is critical for achieving development objectives.”

Public, private, and nongovernmental organizations must have the skills to manage resources effectively.

But strong capacity cannot be achieved overnight. It is like a garden that needs to be cultivated over time. Capacity development is a long-term process requiring both supply- and demand-side solutions—the supply of well-structured and efficient public and private organizations and institutions, and civil society’s demand for government accountability and improved public sector performance.

The World Bank Institute (WBI) is one of the World Bank’s main instruments for developing capacity through the exchange of knowledge and learning. In addition to its regional and global programs, WBI supports long-term capacity development in 45 focus countries through multiyear programs. Fourteen of these countries are in Africa, where WBI will be playing a key role in the Bank’s Africa Action Plan. The Institute helps these countries define their learning needs and works with local officials and Bank operational staff to design national capacity development strategies and programs to fill those needs.

In FY06, more than 90,000 people took part in WBI training and capacity building activities on such topics as strengthening parliamentary oversight, poverty

monitoring, urban management, social accountability, climate change, HIV/AIDS, trade, improving the investment climate, and leveraging public-private partnerships. WBI’s clients include government policy makers, educators and trainers, private sector leaders, media professionals, and parliamentarians, who attend a range of learning activities including courses, seminars, multicountry policy dialogues, and leadership training activities.

As part of its work to support and develop leaders the Institute has worked with cabinet ministers to help them gain access to information and ideas, stay abreast of key issues like globalization and trade, achieve strategic objectives through action planning and results-based management, and work across multidisciplinary and interministerial teams. These kinds of programs have been offered in Madagascar, Senegal, and Tajikistan.

In Ghana, Kenya, Tanzania, and Uganda WBI is using digital radio technology to develop the capacity of local public officials, mayors, and civil society representatives to design tools for combating corruption. In Morocco, the Institute delivered a high-level leadership program for 33 governors of Moroccan provinces and regions in support of judicial reform that would help increase

citizen access to public services. In Brazil's Amazon region, WBI is developing capacity at the municipal level in public administration and management of environmental and social issues. In Asia, WBI has been working with the Administrative Staff College of India to create certification programs for city managers.

In the past year, I have traveled to nearly 30 countries and met with people from all walks of life. Across all societies, people from all economic and cultural backgrounds have voiced the same aspirations again and again: people want opportunities, and they want a better future for their children.

But they will achieve these things only if they have a government that can deliver on its promises and uphold the law; one that knows how to listen, treats its citizens fairly, and protects their rights. People need transparent and accountable institutions, an independent judiciary, a free press, and a vibrant civil society.

Poor governance and corruption hurt every citizen—but especially the poor. They are already hit the hardest by

economic hardships, rely the most on public services, and are least able to pay the extra costs associated with bribery, fraud, and the misappropriation of economic privileges.

WBI's Global Governance Program supports the Bank's governance and anticorruption agenda by conducting empirical research and publishing worldwide indicators of the prevalence and socioeconomic impact of corruption in more than 200 countries and territories. It also works with the media, legislatures, and civil society to support public demand for good governance. In FY06 the program was active in more than 30 countries.

Where local knowledge is allowed to flourish and contribute to global knowledge, where people learn from one another as they also innovate on their own, and where global and local knowledge inform choices, people are better able to rise to the challenge of fighting poverty. I invite you to explore this annual report, which highlights some of the innovative ways in which WBI has helped countries share their knowledge and experiences in the service of development.

