The World Bank: playing a central role in development

As donor countries come under domestic pressure to control their budgets, it is vital that alternative sources of financial aid, including multilateral banks, are in a position to ensure that the momentum of development in maintained

By Sri Mulyani Indrawati, managing director, World Bank

What are the most critical questions facing global development today? A comprehensive answer to this question that is multidimensional and considers each dimension – theoretical, macroeconomic, geopolitical and environmental – could easily fill pages and pages. Instead, this article will focus on some of the questions that have most recently come to the fore in the wake of the ongoing transformative global financial and economic crisis. The crisis is already having far-reaching implications for development stakeholders (particularly on the donor side), as well as for the availability of resources and the way in which global support is mobilised in order to finance development.

With many of the 'traditional' donors (ie the members of the Organisation for Economic Co-operation and Development) in the midst of a fiscal crisis, prospects for aid budgets do not look good and the realisation of aid commitments – including those made by the G8 at the Gleneagles Summit in 2005 – seems more distant. This makes recent statements by several donors to maintain aid all the more commendable, as retrenchment is required elsewhere in domestic budgets. Nevertheless, even some of the most generous donors will be faced with intense domestic pressure to contain spending, making it even more crucial that others, including multilateral development banks, have the capacity to pick up some of the slack.

At the same time, emerging economic powers, including China, are being looked at to enhance their support to low-income countries. The shift in the donor landscape, amid pressures on donor budgets, intensifies the need to ensure that donors and recipients channel these scarce resources to where they can do most good and be used most effectively. For this to happen, both donors and recipients will need to ramp up existing commitments to enhancing the transparency of aid-related financial transactions.

As argued in Microsoft chairman and philanthropist Bill Gates's report to G20 leaders, developing countries need to step up efforts to mobilise domestic revenue and financing from new and innovative sources. As Gates says, donor countries can assist in this effort by providing capacity-building support, including for the sharing among developing countries of their experiences with replacing past reliance on aid resources with strong national tax and budget systems. Although developing countries are each at very different stages, ultimately there should be continual progress made towards the objective of enhancing reliance on domestic revenue to finance current spending. Developing countries' governments, rather than seeing such reliance as a response to external aid shortfalls, should view it as an opportunity to enhance ownership of their policy priorities, and build greater confidence and accountability of governments to their citizens.

Many developing countries will have to find innovative ways to generate financing for infrastructure, education and health projects. Diaspora resources – via diaspora bonds and remittance-backed bonds – have the potential to finance public- and private-sector projects. The annual savings of the diasporas from developing countries – $400 billion by some estimates – represent a hitherto untapped potential source of financing for development efforts.

Diaspora bonds can tap into the emotional ties – the desire to give back – of the diaspora and potentially help to lower the cost of financing for development projects back home. The World Bank is currently engaged with the governments of Kenya, Nigeria and the Philippines to implement diaspora bonds. To meet the growing demand for its support, the World Bank recently announced the formation of the Task Force on the Implementation of Diaspora Bonds.

Redefining economic multilateralism

For the future, there are additional opportunities to enhance global development. Today's new multilateralism must build a sense of shared responsibility for the health of the global political economy and must involve

> "The first and most critical challenge faced by the G20 today is to prevent a backsliding on development progress"

those with a major stake in that economy. Economic multilateralism must be redefined more broadly, beyond the traditional focus on finance and trade. This shared responsibility will benefit from greater access to data and information. The World Bank's 'Open Data, Open Knowledge and Open Solutions' initiative is more than just a slogan. This is a fundamentally new way to search for development solutions.

Important steps were taken under the Korean presidency in 2010 to bring development issues into the mainstream of the G20 agenda. This was a welcome development and has led to some significant advances under the French presidency in a number of areas, including food security and infrastructure financing. These are clear priorities for the World Bank Group, which remains committed to supporting their implementation.

The first and most critical challenge faced by the G20 today is to prevent backsliding on development progress. Without a doubt, the most important contribution that the G20 can make is to take decisive action by the time of the Cannes Summit to restore confidence in global economic management. Uncertainty, short-term fears and the search for safe havens have created unprecedented levels of volatility and come to dominate the attention of policy-makers and investors. Uncertainty is an anathema to growth and, until confidence is restored in the ability of leading governments to respond decisively to the crisis, longer-term development objectives will be pushed aside. Failure of the G20 to make meaningful progress on this front will undermine not only G20 credibility as stewards of the global economy, but also the success of many of its other efforts to promote strong, sustainable and balanced global growth.

Clearly, this is only a necessary, not sufficient, condition for success. The recent work requested by the G20 on supporting the development of more effective tax systems, prepared jointly by a group of international organisations, including the World Bank, sets out a useful blueprint for support to domestic-resource mobilisation in low-income countries. This, coupled with calls for greater transparency with respect to financial transactions among developed and developing countries – in both the public and the private sectors – would represent real progress from the G20.

Development partners play a critical role in supporting the efforts of low-income countries to improve public-resource management and enhancing the capacity of governments to develop alternative sources of revenue. The recent ascendancy of many emerging-market countries has also highlighted the value of their individual development experiences. Sharing these experiences with less-developed economies as they move from low- to middle-income status and beyond should therefore take on a more prominent place in the development toolkit. The G20 is well placed to promote so called South-South learning, an area in which the World Bank has extensive expertise as a knowledge broker and pioneer in fostering peer learning. ◆

World Bank Group president Robert B Zoellick takes his seat at the G20 development meeting during the IMF/World Bank Annual Meetings, held in Washington in September 2011

Time for equity and justice

Rt Hon Helen Clark, Co-Chair, MDG Achievement Fund and UNDP Administrator

Around the world, many people are articulating their disappointment with leaders and with governance and economic systems. A sense of disillusionment, anger, and helplessness has prompted uprisings and/or protests from Wall Street to the Middle East.

The issues being raised are not new. We live in a very unequal world. Despite tremendous progress in many respects, extreme poverty persists. Estimates of global income inequality reveal that, as of 2007, the wealthiest 20 per cent of humankind enjoyed almost 83 per cent of total global income, while the poorest 20 per cent had just a single percentage point of that income. At the current rate of improvement, it would take the poorest one billion people more than 800 years to access 10 per cent of global income (Ortiz & Cummins, 2011).

The sheer magnitude of current inequalities serves as a call to action for a revised development framework that puts tackling poverty and promoting equity and social justice at its centre.

A social justice agenda for development

Over a decade ago, 189 world leaders signed the Millennium Declaration and the Millennium Development Goals (MDGs) were launched. The Millennium Declaration was based on a set of fundamental values which included a firm commitment to social justice as the guiding principle for development efforts.

Over more than 10 years of work to advance the MDGs, we have witnessed the power that they have had in mobilising the international community, national governments and civil society towards a common end. But 10 years of implementation has also shown us that, despite numerous gains, progress has been uneven – and, indeed, characterised by deep disparities between different social groups.

Intersecting Inequalities and Social Exclusion

Evidence from a recent global study produced by the MDG Achievement Fund (MDG-F) and the Institute of Development Studies (IDS), shows that in almost every society, in every region of the world, both rich and poor, there are certain groups of people who face systematic social exclusion as the result of the intersecting inequalities that characterise their lives. These include:

- Cultural inequalities: forms of discrimination and devaluation that treat members of these groups as somehow inferior to others;
- Political inequalities: the denial of voice and influence in the decisions which affect their lives and their communities;
- Spatial inequalities: such groups frequently live in places that make them harder to reach or easier to ignore;
- Economic inequalities: they are at the receiving end of an unfair distribution of assets and opportunities.

Each of these inequalities is a source of injustice in and of itself, but it is their interaction which explains the persistence of social exclusion over time, and its resistance to 'business-as-usual' approaches to development. Caste, race, ethnicity, language, and religion are among the most common markers

Indigenous communities from the Colombian Pacific Coast organise to discuss community nutrition, food security and health. Isolation and the countries' ongoing conflict has exacerbated already vulnerable conditions

Health volunteers and district nurses work together to reach women living in the remote villages of Tigray, Ethiopia in order to monitor child health

of exclusion. As elsewhere in society, gender cuts across all these, so that women and girls from marginalised groups generally fare worse than men and boys.

This story of inequality and social exclusion matters. It matters because inequality undermines progress on the MDGs and other development goals. It matters because it slows down the rate at which a given level of economic growth translates into poverty reduction. At the level of everyday life, inequality undermines people's sense of self-worth and agency, and can be associated with despair, depression, substance abuse, and criminal activity.

Inequality and social exclusion do not occur by chance. They are the outcome of policies and practices. This means that they are not immutable and are susceptible to change. Fora such as the G20 and other global spaces can be vehicles for putting forth alternatives.

Policies options and a macro-enabling environment

Change could include :

- Matching the drive for economic growth with an even stronger drive for equity: redistributive fiscal policies, reformed taxation systems and more investment in those currently left behind helps;
- Strengthening the resource base of marginalised groups through land reform and land-titling, asset transfers, and inclusive financial systems;
- Investing in broad-based, employment-centered economic growth;
- Investing in infrastructure and area-based development to improve connections between marginalised groups and the rest of society;
- Improving the outreach and quality of basic social services, and ensuring that they are relevant to citizens;
- Comprehensive social-protection measures to sustain basic living standards;
- Comprehensive collection and dissemination of information. The level of disaggregation of the information base from which we plan and measure progress on development has equity implications;
- Legislating against discrimination and taking other measures, such as affirmative action;
- Investing in developing participatory monitoring tools that encourage greater government accountability;
- Enabling excluded groups to organise and unite around and participate in the collective decisions that affect their lives;
- Focusing on transformative approaches that address the root causes of inequality;
- Strengthening formal and grassroots democratic processes, and committing to greater international solidarity and the promotion of inclusive spaces for global policy debate.

This may be an ambitious agenda which is easy to articulate and hard to implement, but in the words of the late Sergio de Mello, "If we don't aim for the seemingly impossible, we will risk settling for mediocrity".

The MDG Achievement Fund is a joint United Nations initiative which supports national efforts to eradicate poverty and inequality.

MDG F
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FLAR
Fondo Latinoamericano de Reservas

Latin American Reserve Fund

THE ONLY REGIONAL RESERVE POOL IN LATIN AMERICA

It is an organization where members make capital contributions to help each other deal with Balance of Payments difficulties.

Established more than 30 years ago in 1978 as the Andean Reserve Fund (FAR), it later became Latin American Reserve Fund (FLAR), to promote membership for all Latin American countries.

History and performance

FLAR enjoys strong support from member countries, to which it has provided net benefits as liquidity insurance during its 30-year-plus existence.

Objectives

Provide support to balance of payments of member countries by granting credits or guaranteeing loans from third parties.

Improve the conditions of international reserve investments made by member countries.

Contribute to the harmonization of exchange, monetary, and financial policies of member countries.

Governance

The Assembly is composed of the Ministers of Treasury or Finance of member countries.

The Board of the Fund is composed of the Central Bank Governors and the Executive President.

The Executive Presidency is the permanent technical body of the Fund elected by the Board.

Resources

Member countries	Subscribed Capital	Paid-in Capital
Bolivia	234.4	195.7
Colombia	468.8	391.3
Costa Rica	234.4	195.7
Ecuador	234.4	195.7
Peru	468.8	391.3
Uruguay	234.4	131.9
Venezuela	468.8	391.3
Total	**2,344***	**1,892.9**
Prudential reserves		189.3
Paid-in capital reserves		2,082.2

Figures in million USD

Credit Rating

The highest credit rating in Latin America. AA Composite Rating (Standard & Poor's, AA/A1+; and Moody's, Aa2/P1).

Lending instruments

FLAR has five types of credit lines, with a term of 1 to 3 years: Balance of payments, Foreign debt restructuring of Central Banks, Contingency, Liquidity and Treasury. Members can borrow up to 250 percent of their paid-in capital contribution.

Other services

Asset management, term deposits, compliance and risk measurements of investment portfolios, training and seminars.

Totals can differ due to rounding *

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Looking to Latin America and the Caribbean

For the past two decades, this region has experienced vast improvements in its members' economies and in conditions across society as a whole. The task today is to consolidate on that progress amid the global challenges of the coming years

By Luis Alberto Moreno, president, Inter-American Development Bank

As G20 leaders prepare for the Cannes Summit, mobilising global action for sustained, strong and balanced growth remains the overriding concern. The world's economic recovery is uneven, and faces important risks.

Latin America and the Caribbean are certainly not immune to these risks. In fact, some analysts have already lowered this year's forecasts for growth in gross domestic product (GDP) for several of the region's economies. The reality is that some Latin American and Caribbean economies are facing challenges related to inflation, increasing government spending and lower demand for their exports.

Nevertheless, the Latin American and Caribbean region continues to weather the deep and diverse problems in the global economic arena relatively well. So well, in fact, that the 2010s may eventually be described as the decade of Latin America and the Caribbean. This outcome is obviously not guaranteed. But there is a window of opportunity in which the region can take decisive steps to sustain growth, reduce income inequality and eradicate the extreme poverty that still affects one in eight people in the region.

Building on recent success

My optimism about the economic and social future of Latin America and the Caribbean is rooted in the region's record of the past two decades. Since 1990, inflation in the region as a whole has fallen from almost triple digits to about seven per cent. The foreign debt of Latin America and the Caribbean dropped from 28 per cent of GDP to seven per cent. And per-capita income more than doubled to around $11,000 in purchasing power.

Results in the social sphere were just as remarkable. Whereas half of the population was poor in 1990, today that figure has fallen to a third. Drinking-water supply has increased from 85 per cent to 93 per cent, and electricity coverage from 70 per cent to 93 per cent. Infant mortality has fallen by more than half. And school enrolment has risen at all levels – with primary enrolment up from 86 per cent to 94 per cent, secondary up from 29 per cent to 71 per cent, and post-secondary increasing from 17 per cent to 38 per cent.

The place of Latin America and the Caribbean in the global economy has also undergone a dramatic transformation. The average external tariff has fallen from 45 per cent to just nine per cent. The share of the region's foreign trade exchanged with Asia has doubled, and the value of trade within the region has risen tenfold. Large enterprises, which for decades focused on domestic markets, have aggressively embraced globalisation. Today, there are 66 *multilatina* corporations, with operations in every corner of the globe.

These turnarounds were no accident. A look at the policies adopted in many of the region's countries reveals that they have been strengthening from both a macroeconomic and an institutional standpoint. Many of these achievements are also the expression of a democratic maturity that recognises the diversity of political models, as well as a deepening consensus on economic and social policies not conditional on the political cycle.

These changes reflect the institutional stability of the region and the policy advances that leaders have made over two decades. Integration into the global economy means external factors, especially overseas demand for raw materials, have contributed to the region's success. They will continue to influence its potential.

However, the region is also experiencing a radical reordering of economic and political relations between rich and emerging economies. 'South-South' trade is not a passing phenomenon. It will transform the flow of goods, investment and knowledge for decades to come. And the cumulative political impact of all these changes is evident in the composition of the G20 itself. The three largest economies in Latin America and the Caribbean are now members of the world's premier forum for international economic coordination.

No doubt the current developments in the global environment are imposing a new test for Latin American and Caribbean economies. In fact, as long as North America and the eurozone account for more than half of the global economy, their problems will hold back recovery in the rest of the world.

Commodities prices could be negatively affected should China experience a slowdown that is significantly faster than expected, harming several South American economies. If the United States enters into a new recession or a period

> “South-South trade is not a passing phenomenon. It will transform the flow of goods, investment and knowledge for decades”

of prolonged, very low growth, exports of industrial products and consumer goods from Mexico and Central America will decline. Sustained weakness in the US economy would also result in lower foreign currency earnings from tourism, remittances, foreign direct investment and other capital flows to the Caribbean and Central America. The banking crisis in Europe, of course, could also harm Latin America and the Caribbean through its impact on financial markets and trade.

These are significant risks. They make it all the more imperative for Latin America and the Caribbean to consolidate recent gains and deepen reforms. Regionally, the challenge is to design mechanisms, such as fiscal stabilisation or 'rainy day' funds, that enable countries to dampen the impact of external shocks and finance public investments. Such mechanisms can also help to ease pressure on exchange rates and the effects of the so-called 'Dutch disease'.

Another critical hurdle is to improve low productivity. Although sectors such as mining and agriculture are globally competitive, productivity in many services has actually slipped in Latin America and the Caribbean in recent years. This is partly due to the persistence of informal employment, which affects the quality of jobs and creates two classes of citizens – one with access to the social safety net and one that cannot aspire to good healthcare or a decent retirement pension. To tackle the roots of low productivity, the region must create incentives for formal employment, unleash a revolution in the quality of education and invest much more in science, research and technology.

Latin America and the Caribbean face critical bottlenecks caused by ageing and inadequate infrastructure. This significantly impairs integration efforts and adds to the logistics and transportations costs of exports. Moreover, extreme weather events linked to climate change are increasingly threatening the region's water, energy and transport infrastructure. To adapt and remain competitive, the Inter-American Development Bank estimates that the region will need to spend the equivalent of six per cent of its GDP on infrastructure for the foreseeable future.

Finally, Latin America and the Caribbean must control rising violence and crime. This is, perhaps, the most elusive and thorny challenge facing the region. Recent public opinion polls indicate that no other issue is more important to its communities. Unfortunately, there are no magic formulas for eliminating violence. However, many cities in the region, particularly in my native country, Colombia, have made measurable progress through sustained and integrated strategies. The challenge now is to replicate homegrown solutions and put this issue at the top of the public agenda.

Overcoming the obstacles

Of course, none of these challenges is new. What is new, however, is the conviction that none of these obstacles is big enough to prevent Latin America and the Caribbean from sustaining growth and rapidly reducing poverty in the coming decade, and the certainty that the region is capable of finding solutions rooted in its own experience and its own vision for the future.This is the outlook of a revitalised Latin America and Caribbean that has learnt from its failures and mistakes and is now ready to make the most of its opportunities and fulfil its immense promise.

I am delighted that the G20 will come to Latin America next year, with Mexico as its host. Mexico has been a leader in putting development challenges at the heart of the G20 agenda. Next year's meeting will help to focus global attention on the achievements of Latin America and the Caribbean and the rising profile in the world's economic, cultural and policymaking spheres.

No one would have predicted, 20 years ago, that Latin America and the Caribbean would be an island of comparative prosperity and stability in a world shaken by economic and political turmoil. As the G20 leaders work to restore confidence and reignite growth around the world, they should seek both encouragement and inspiration from the experience of this rich and optimistic region. ◆

Exports from Latin America, such as these gerberas flowers grown in Columbia, are on the increase, reflecting an overall rise in trade and the potential for further expansion

Photographer: Glenn Davis Stone

Global Prosperity Starts with Reproductive Health

What single investment saves the lives of women, improves family health, lifts communities out of poverty and promotes economic prosperity?

An investment in reproductive health.

"The success of international family planning shows us that when women have choices they can change their lives and those of their communities. Progress for women is progress for all. By investing in reproductive health services, we are investing in people and their potential."

Ambassador Jan Eliasson
Former President,
United Nations General Assembly,
Former Minister for Foreign Affairs, Sweden

Every dollar spent on reproductive health and family planning services returns $1.40 in savings on maternal and newborn health care costs. And the benefits go much further:

- **Women realize their potential** – With fewer unintended pregnancies, more girls complete their education, more women join the labor force, and women increase their earning power.
- **Families prosper** – When parents have access to reproductive health care and can plan their families, they can make greater investments in their children's nutrition, education and health.
- **Economies grow** – Countries that invest in reproductive health for the long term significantly boost their GDP.

Each day, nearly 1,000 women die from pregnancy complications. And more than 200 million who want access to family planning can't get it, resulting in unintended pregnancies, unsafe abortions and maternal health complications.

These largely preventable tragedies cost an estimated $15 billion in global productivity each year. It doesn't have to be that way.

We can—and must—achieve universal access to reproductive health services by 2015.

Last year, G8 countries moved closer to universal access and all Millennium Development Goals when they launched the Muskoka Initiative for Maternal and Child Health with a pledge of $7.3 billion over five years. Yet this work is far from done.

The Global Leaders Council for Reproductive Health, representing 16 sitting and former heads of state and other leaders, calls on G8 leaders and nations worldwide to strengthen their resolve: Governments must increase financial support for reproductive health.

For women, families, communities and our global economy, an investment in reproductive health is an investment in our future. Boost funding now.

Join our Call for Resolve. www.globalleaderscouncil.org

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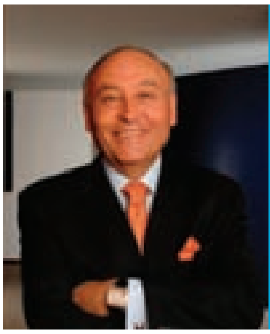
The role of CAF in the promotion of Latin America's development



Enrique García
CAF executive president and CEO

Latin America's future development challenges

In the first decade of this century, the majority of Latin American countries adopted prudent macroeconomic and financial policies, and took steps to improve microeconomic efficiency, too. Helped by favourable international conditions, this combination of factors allowed Latin America to maintain reasonable rates of economic growth and to reduce poverty levels. It also meant that Latin America was better prepared than other parts of the world to react to recent global imbalances.

However, the region continues to be very vulnerable to external shocks, the rates of growth attained are clearly insufficient to converge with more advanced economies, and it has the highest rates of inequality in the world.

Structural challenges

Compared with other regions, Latin America has low levels of savings, investment and productivity, and its economic output is overly concentrated on activities related to raw materials and basic industrial products (commodities). These structural weaknesses go some way towards explaining why Latin America became relatively irrelevant in the world economy over the past 50 years, a period during which the emerging Asian economies have shown increasing dynamism and activity.

There is no doubt that the region must face significant structural challenges if it wants to achieve high and truly sustainable levels of development in economic, social, political and environmental terms. In fact, Latin America needs to build a long-term development agenda to reverse the previous situation, as well as to reconcile stability, efficiency, equity and environmental objectives.

Bearing this in mind, the pattern of economic growth that the region pursues should have certain characteristics. The rate of growth should be higher and more substantial than it is currently, to reduce the gap that separates Latin America from advanced economies. The pace of growth should be sustained so that economies can develop, not just in the short-term but over many years. And the style of growth should be inclusive, to create opportunities for the majority of the citizens.

Over the past five years, CAF has approved transactions amounting to $40 billion, and today it is one of the major sources of multilateral financing for Latin America

It is also crucially important for Latin America to promote productive transformation, so that countries in the region can develop activities with greater added value. This is especially true of countries that are rich in natural resources, but the entire region needs also to be mindful of cultural, racial, ethnic, and environmental considerations.

CAF as a strategic partner

When CAF was created more than four decades ago, it was a small financial institution integrated by six countries of the Andean sub-region. Through the years it has become a leading Latin American multilateral development bank, integrated by 18 countries (16 in the region itself, plus Spain and Portugal).

Over the past five years, CAF has approved transactions amounting to $40 billion, and today it is one of the major sources of multilateral financing for Latin America and the main source of funding for infrastructure and energy development.

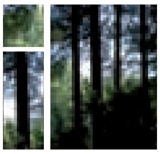
Thanks to the substantial increase in its operations, CAF has been able to finance initiatives considered strategic by its shareholder countries, as well as those that strengthen regional integration.

Financial support and expert advice

CAF promotes a comprehensive development agenda and, as such, it works hand in hand with Latin American countries, providing support, not only through loans and other financial products, but also through advisory services. In this way, the institution uses the knowledge and expertise that it has generated in the last 40 years and shares it with those who need it most.

The development agenda that CAF pursues is focused on the public and private sectors, in fields such as infrastructure, social development, public policy and manufacturing. CAF also works towards increased competition and enhanced environmental awareness. Furthermore, through grants and non-reimbursable technical cooperation, CAF supports member countries in other matters related to the strengthening of core institutions, corporate governance, community development and culture. CAF is a strong promoter of Latin America's regional integration as well, and its participation in the global economy. Its contributions in this regard are evident in the way that it helps to build bridges between Latin America and the rest of the world in order to attract financial and technological resources. CAF is also well known for its intellectual contributions to the development arena and its breadth and depth knowledge in this field.

Overall, therefore, Latin America should know that it can count on CAF as a strategic partner to face the permanent challenges of a changing world.



A CASE OF TRIPLE BOTTOM LINE IN LATIN AMERICA

Latin America is a region of great natural resources. However, the degradation of its ecosystems and loss of biodiversity is evident. Reversing these trends, while improving the living conditions of its inhabitants, requires companies that are committed to the construction of a more sustainable and fair society.

Masisa is one of the most important companies in the forest and industrial sector in Latin America, in the production of wood boards for furniture and interior architecture. The company is a pioneer in terms of the Triple Bottom Line (financially, socially and environmentally).

Its value proposal lies in the fact that Masisa is a reliable brand name – one that is close to its clients and stakeholders, and which anticipates market needs with highly innovative products and services by creating financial, social and environmental value throughout the different stages of its value chain.

Sustainable plantations and biodiversity

Masisa's forest patrimony – 225,000 hectares of pine and eucalyptus plantations in Chile, Argentina, Brazil and Venezuela – is managed under the Forest Stewardship Council (FSC) certification, which is becoming the highest standard in the industry.

The forest patrimony has an important role to play in the company's value proposal, since it helps to ensure fiber supply in the long term and also reduces the volatility of its results.

Consequently, Masisa adheres to the project promoted by the World Wildlife Fund "New Generation Plantations" that promotes sustainable managed plantations, while preserving the integrity of the ecosystems, protecting the highly preserved forests, as well as the interests of stakeholders. Worthy of mention are the 65,000 hectares of natural forest reserves and protection areas owned by the company in the region.

An eco-efficient industry and healthy products

Masisa is the first wood-production company to obtain the E1 European certification of low formaldehyde in the region and offer a wide mix of products that contribute to sustainable constructions by adhering to the LEED® certification.

The 12 industrial complexes that Masisa owns in Chile, Argentina, Brazil, Venezuela and Mexico have been certified under ISO 9.001, ISO 14.001 and OHSAS 18.001, and maintain world-class levels in terms of health and occupational safety, both for its direct and indirect employees.

Recently, Masisa concluded an alignment to international standard ISO 26.000 of corporate social responsibility, outlined in the Annual Report 2010.

Despite its multi-channel distribution, the company has developed a network of more than 310 specialized stores for carpenters, called Placacentro Masisa, providing a unique approach to the end user of the company's products, thus strengthening its growth and inclusive business initiatives.

Innovation is in Masisa's DNA

As part of its growth plan, Masisa has developed inclusive businesses by creating a community of carpenters in Latin America, who are encouraged to strengthen their businesses and improve their quality of life.

By being one of the first companies to sign the United Nations Global Compact, Masisa has promoted the knowledge of its Business Principles in all its subsidiaries and has committed itself to incorporating them into its value chain in the coming years.

All these actions have led Masisa to ongoing innovation in terms of processes, services and products, based on an entrepreneurial approach that often results in higher costs in the short term, but which translates into significant dividends and industry trendsetting in the medium and long run.

A site in Shanghai, China, upon which apartments are due to be built. Asia's continued growth will increase both energy demand and carbon emissions

Progress, prospects and plans for Asia

Dramatic growth and a reduction in income poverty have characterised Asia over the past decade. But with inequalities remaining and new problems created by growth itself, the continent needs support in tackling its development challenges

By Haruhiko Kuroda, president, Asian Development Bank

Asia has shown remarkable progress. The developing region's sustained success is one of the most significant achievements in economic history. Today, Asia accounts for more than a quarter of global output.[1] Per capita incomes grew nine per cent annually over the past decade, reaching almost $5,000 in purchasing power parity terms in 2010 – up from only $2,000 in 2000. Investment rates are at a record high, averaging 35 per cent of gross domestic product (GDP) over the past decade, suggesting enormous confidence in the region's future. The outlook remains positive, with robust growth of more seven per cent expected in the region this year and next.

Economic growth has led to a spectacular decline in income poverty in the region. Asia is well on track for slashing the number of people living in extreme poverty by half, although progress is uneven across countries. Hundreds of millions of Asians now enjoy a better quality of life than was previously the case.

Asia 2050, a study commissioned by the Asian Development Bank (ADB), predicts that, by 2050, the region could account for more than 50 per cent of global output, trade and investment. The continent would therefore regain the dominant global economic position that it held around 250 years ago, prior to the Industrial Revolution. Some have described this possibility as the 'Asian Century'.

While developing Asia continues to surge forward in economic growth and play a more prominent role in the global economy, most of the world's poorest people still live on the continent. Inequalities are also widening. Out of 20 developing Asian economies, 14 have experienced increasing Gini coefficients, which reflect income inequality, in recent years.

Progress in meeting the Millennium Development Goals (MDGs) remains far too slow, particularly among Asia's most vulnerable low-income countries (LICs), which have access to ADB's concessional lending from the Asian Development Fund (ADF). In Asia's LICs, 348 out of 100,000 women die in pregnancy and childbirth each year – more than twice as many as in Asia's richer economies. Child malnutrition is also more acute, with 36 per cent of children underweight in the LICs compared with only 27 per cent in sub-Saharan Africa.

Inequalities hamper growth

In poorer countries, these large and increasing inequalities compromise long-term poverty-reduction efforts, because the impact of growth on poverty reduction is mitigated or reduced through inequality. Moreover, widening inequalities can undermine social cohesion and political stability, which in turn may destabilise the region and potentially halt its growth momentum.

Developing Asia's rapid growth has come at the expense of the environment. Deforestation, land degradation, and water and air pollution are the 'shadows' of this growth. They degrade living conditions even as incomes increase. Asia's continued growth will be accompanied by increasing energy demand and rising carbon emissions – adding strain to an already fragile environment.

Around the world, rising sea levels, higher temperatures and other climate changes create a chain of events that hit the poor the hardest. Demographic changes and rapid urbanisation also have profound implications. Both trends must be effectively managed to minimise or mitigate their impact on the environment, poverty and quality of life. For Asia, as elsewhere, policies for growth must consider environmental sustainability.

Lifting countries in Asia out of poverty requires huge financing and technical resources. These needs are more pressing for LICs that not only face severe fiscal constraints, but also have limited ability to attract private capital, and less access to capital markets and other financing flows.

Without sufficient alternative financing sources, official development assistance (ODA) continues to be an important source of development finance in LICs. As a key partner in Asia's development, ADB plays an important role in Asia's transformation and provides critical assistance for growth and poverty reduction. However, given the major development challenges that continue to be faced by the region, the task is far from over. Assistance, particularly for LICs, will continue to be crucial to ensure that the region can complete its transformation equitably and sustainably.

Complementary agendas

Asia's growth must be fully inclusive to overcome inequities and address the remaining pockets of poverty. This means ensuring that the benefits from high economic growth are distributed broadly and that people have equal access to opportunities and basic social services. This will require the expansion of infrastructure and a proper policy environment for private enterprise, which is the major engine of growth. Enhanced social protection for the weak and vulnerable will also be needed.

The sustainability of growth will depend on how its impact on the environment is managed. Unless reversed, rapid deterioration of the environment, particularly in LICs, will seriously threaten economic growth and ultimately social stability. ADB's support for environmentally friendly technologies – such as clean and renewable energy sources and efficiency-improvement measures – helps developing countries to address environmental concerns, including climate change. ADB is also building capacity in the region to adapt to climate change, promote sustainable resource management and improve air quality.

> “The rest of the world has much to gain by spreading prosperity more widely and equitably. Asia's poorer countries must not lag behind its giants”

Regional cooperation and integration must also be stepped up, in order to enable lagging countries to share in development. Asia is highly diverse, and includes some of the world's largest and most competitive economies along with numerous small, underdeveloped and often fragile LICs. Some LICs are also landlocked or island economies, making it difficult for them to connect with external markets.

Regional cooperation and integration could help to accelerate growth, reduce poverty and economic disparities, and address shared vulnerabilities. By working together, countries in Asia can speed up the process of development and combat poverty more effectively. Regional integration will also help to rebalance growth in the region – and globally.

A critical role for the G20

Last year, the G20 leaders adopted the Seoul Consensus for Shared Growth to support the broader objectives of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient global economy. The G20 leaders made a commitment to help narrow development gaps and reduce poverty by expanding growth and prosperity in developing countries, and in LICs in particular.

In this context, the development needs and challenges in the Asia and Pacific region cannot be overlooked. The rest of the world, including G20 members, has much to gain by spreading prosperity more widely, equitably and sustainably. The poorer countries of Asia must not lag behind its giants. Support for the more vulnerable countries is particularly critical to meet regional and global MDG targets, bridge remaining development gaps and contribute to global stability.

Concessional financing is important in securing the region's future. Unless the flow of ODA to Asia and the Pacific is increased, many LICs will face increasing difficulties. Many donors are facing hard economic times, yet continued support for dedicated concessional funding sources, such as the ADF and the Global Climate Fund, provide crucial development financing for the region's LICs. This support will help to raise people out of poverty and help countries to become fully integrated in the global economy in a sustainable manner.

The Asian Development Bank, in partnership with others such as G20, is dedicated to doing all it can in helping the Asian region to face its large and growing development challenges and achieve balanced, inclusive and sustainable growth – which will also bring enormous benefits for the world at large. ◆

Footnote

1. Asia comprises three sub-regions: East Asia and the Pacific (including North Korea), South Asia and Central Asia (including Iran). The economies covered are Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Cook Islands, North Korea, Fiji, Georgia, Hong Kong, China, India, Indonesia, Iran, Japan, Kazakhstan, Kiribati, Korea, Kyrgyz Republic, the Lao People's Democratic Republic, Macao, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nauru, Nepal, Pakistan, Palau, Papua New Guinea, the Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Taipei, Tajikistan, Thailand, Timor-Leste, Tonga, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu and Vietnam.

Mobile phone technology is appealing to the young and sophisticated consumer class emerging in Africa

African development: continuing progress

Africa's spectacular growth over the past decade – sustained by a vast increase in trade with China and India, along with a surge in domestic demand – continues to help the continent to withstand the effects of the global economic crisis

By Donald Kaberuka, president, African Development Bank

Not so long ago, the development discourse was suffused with 'Afro-pessimism'. The 1990s was seen as a lost decade for Africa, marked by massive macroeconomic imbalances, unsustainable debt, stagnant growth, and seemingly insoluble conflicts and political crises. It was an era when Africa's development agenda was set by outsiders through the Bretton Woods institutions' structural adjustment programmes, which, as conventional wisdom has it, were treatment regimes so invasive as to be harmful to their patients.

A decade on, it is remarkable that we find ourselves talking about an African miracle. Africa has been through a decade of unprecedented growth. Per capita gross domestic product (GDP) in sub-Saharan Africa has leapt from $400 to $700. Even the global financial crisis could not halt this momentum. In 2011, sub-Saharan Africa will grow by 5.6 per cent, with a number of countries exceeding seven per cent – the threshold for major and lasting inroads into poverty.

Africa's new economic buoyancy is driven mainly by good macroeconomic management and market reforms

TerrAfrica scales up sustainable land and water management

TerrAfrica partners are united by the view that securing land productivity while managing the changing usage of land and climate risk requires an expansion of sustainable land and water management

TerrAfrica is an African-driven global partnership programme to scale up sustainable land and water management across sectors in 23 sub-Saharan countries. The partnership supports this effort by reinforcing investments, institutions and information at country and regional levels.

Expanding the uptake of proven technologies – such as natural regeneration of tree cover, soil and water conservation, watershed planning, water harvesting, integrated nutrient management, low tillage or agroforestry – requires sustained country dialogue to align fragmented investments, information, and institutions.

African countries and their partners are increasingly expanding the public sphere on policy and practice across institutional, geographic, and disciplinary boundaries, and integrating sustainable land and water management in national planning and larger-scale investment and budget planning. This renewed emphasis on natural capital is resulting in multiple wins, including environmental benefits such as improved soil structure and fertility, watershed and ecosystem function, and greater biodiversity in production landscapes. Such global public goods are leading to more secure livelihoods, economic growth, and less hunger.

Recent in-country progress

- Burkina Faso has completed its road map for defining investment priorities and is working to implement a sustainable land management (SLM) projects (US$65.6 million).
- Burundi has recently joined the TerrAfrica partnership with a very much appreciated study on the country's coffee production.
- Comoros is developing a project on ecological planning and SLM.
- Eritrea launched its SLM platform and is now developing a large SLM programme that includes SLM pilot project and catchment management ($27 million).
- Ethiopia was one of the first countries to launch its SLM project. Based on its experience, the country is now launching its own national SLM knowledge base and a capacity-building strategy. These activities will generate a national land-use plan to harmonise stakeholder activity and approaches.
- Gambia is entering the process with a large SLM project ($18.4 million).
- Ghana is developing an inter-ministerial SLM programme with analytical links to the Comprehensive Africa Agricultural Development Programme (CAADP). The country has completed its Sustainable Agricultural Land Management Strategy and is working on entering the land degradation and hazard assessment with a national GIS (geographic information system) database.
- Kenya continues to make strong progress with its inter-ministerial team and the finalisation of its SLM project.
- Lesotho has expended awareness and knowledge on SLM and is launching a new SLM project ($6.3 million).
- Madagascar is defining its SLM investment priorities focused on individual watersheds and is developing its own SLM information management system. A new Irrigation and Watershed Management project was recently approved ($39 million).
- Malawi is making good progress towards greater SLM practices across a wide variety of fronts, incorporating SLM into agriculture, climate change and poverty alleviation programmes. The country's investment plan is now completed and the Agricultural Development Support Project is now yielding results ($42 million). A new Equatorial Africa Deposition Network Project is under development ($7.8 million).
- Mali has finalised its SLM investment priorities. The country has generated a new SLM monitoring framework and is finalising a cost-benefit analysis and public expenditure from which findings are already being applied in investment planning. The SLM agricultural and pastoral productivity project will continue until 2012 ($125 million).
- Mauritania is finalising its SLM investment priorities with the support of the emerging national SLM committee. The SLM in the Oasis Ecosystems of Mauritania project is ready for start-up ($27.2 million). The country is preparing to launch carbon financing linked to SLM, and is also engaging in an SLM capacity-building assessment.
- Niger has finalised its SLM investment priorities. The country has more than $73 million of approved SLM projects. These investments will address a host of issues, including community-driven SLM and agriculture. The country is also working to strategically integrate SLM as a tool to build climate change resilience in highly vulnerable landscapes.
- Nigeria continues to make progress with the application of SLM. The Fadama III project is under implementation ($457 million). A major analysis on climate change, visiting low-carbon growth and climate vulnerabilities, has supported the preparation of the new Nigeria Erosion and Watershed Management Project ($350-450 million). The national SLM knowledge base is operational, and a cost-benefit analysis and public expenditure review have been completed. The country has developed an inter-ministerial cooperation agreement that will feed into the CAADP and will support SLM mainstreaming.
- Rwanda is developing an SLM information system. The nation is also participating in two transboundary programmes in Lake Victoria and in the Kagera River Basin. The government has initiated the process of defining the national SLM platform and strengthening cross-sectoral coordination.
- Senegal is preparing its own SLM investment priorities, with regional support. Its large SLM project is under implementation,

focusing on the agricultural sector ($54 million). The country is finalising its SLM platform.

- Senegal is preparing its own SLM investment priorities with regional support. The country's large SLM project is under implementation ($54 million) and it is finalising the set-up of its SLM platform.
- Togo has completed its SLM investment priorities and is preparing for its implementation, that will address adaptation issues linked to the regular floods occurring in the country.
- Uganda has made consistent progress on the completion and implementation of its SLM investment priorities. The country is strengthening SLM coalition-building through an inter-ministerial technical working committee and developing an SLM country programme. A project to mainstream SLM at district and central levels, to address land degradation linked to cattle production, was recently approved ($7.4 million).
- Tanzania is developing its own SLM investment priorities, which will translate into investment projects.
- Zambia is generating new cross-sectoral SLM policies and strategies. This includes strengthening institutional capacities. Analytical studies are being completed to provide a basis for developing investment priorities.

Increase in investments

The World Bank and Global Environment Facility (GEF) TerrAfrica portfolio is now approximately $2 billion in active and pipeline projects, as well as analytical and advisory services directly benefiting several African countries; other partners such as AfDB (African Development Bank), FAO (Food and Agriculture Organization), IFAD (International Fund for Agricultural Development), UNDP (United Nations Development Programme), UNEP (UN Environment Programme), bilateral donors, and African countries themselves bring the total value to well over $3 billion.

A new World Bank/GEF Sahel and West Africa Programme in Support of the Great Green Wall Initiative was approved in May 2011. The programme approaches $2 billion, with grants of approximately $108 million from the GEF, the Least Developed Countries Fund, and the Special Climate Change Fund.

Contact:
The Secretariat of TerrAfrica is hosted and managed by the technical body of the African Union, the NEPAD Agency (New Partnership for Africa Development). The NEPAD Agency co-chairs the steering committee of the TerrAfrica platform together with the UNCCCD (United Nations Convention to Combat Desertification) Secretariat.

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that were implemented during the last two decades. Coincidentally, the rise of China, India and other emerging economies hungry for Africa's natural resources has helped sustain growth. Trade with India and China has grown tenfold since 2001, and 30 per cent of Africa's trade is now with Asia.

But Africa's rise is more than just a resource boom. Today's spectacular growth in telecoms, construction, the financial sector and agri-business is a sign of structural change in the African economy. Some 40 per cent of Africans now live in urban areas where a new, young and sophisticated consumer class is emerging. The rapid spread of mobile telecommunications and other new technology offers opportunities for leapfrogging. Africa's economic powerhouses – South Africa, Nigeria, Kenya and, until recently, Côte d'Ivoire – are helping to drive regional trade and economic integration.

Africa also has a new generation of policy-makers who are increasingly getting the fundamentals right. They have taken advantage of the fiscal space and macroeconomic balance delivered by structural adjustment and turned their attention to microeconomics, achieving significant improvements in the business climate. To this one can add a new 'can do' attitude among Africans, which is a sign of both a young and energetic population and the cross-fertilisation of ideas with the African diaspora. All these factors add up to major, long-term opportunities for African business and international investors alike.

A challenging new age

For all these reasons, I am confident that the African miracle is no false dawn, but the start of a new era in Africa's development. But it would be wrong to gloss over the scale of the challenges and risks ahead: 48 per cent of the African population still lives below the poverty line. While there has been unequivocal progress towards almost all the Millennium Development Goals (MDGs), a number of targets will not be met. This is not because there has been no progress, but because the rate of progress is slower than required.

Progress has been further slowed down by the 'triple-F' crises: food, fuel price, and financial and economic. In that sense, should the current economic uncertainty lead to another global slowdown, most African countries will find it even harder to achieve the MDGs. Thirty years after Amartya Sen pointed out that famines were first and foremost political failures, it is a matter of deep regret that, once again, 10 million people are facing a catastrophe in the Horn of Africa – a sign of the world's (and Africa's) failure to respond to a crisis that was neither sudden nor unpredictable.

For all those involved in Africa's development, the Arab Spring has been a wake-up call and a warning. The North African countries that succumbed to political crisis were some of the continent's best economic performers. They demonstrate that growth may not be enough if it fails to deliver benefits for the majority of the population – in particular, jobs for the rapidly growing youth population. To date, most of Africa's economic growth has been enclave in nature, benefiting narrow geographical regions and social groups. Growth has not been achieved in the labour-intensive industries that have been such a key driver of poverty reduction in Asia.

The Arab Spring also brought home the size of the 'legitimacy gap' in sub-Saharan Africa. Recent events have convincingly discredited the idea of an 'authoritarian bargain' – that African populations demand bread over democracy. African countries have come a long way in the past two decades in building democratic institutions. The peaceful transfer of power through the electoral process, once unthinkable, is now evolving. But challenges remain, and African countries need to pursue progress in this direction.

The African Development Bank (AfDB) is using its mandate as Africa's pre-eminent development institution to address the most important structural constraints on Africa's growth. Its medium-term strategy focuses on five interlinked areas: economic integration, strong institutions and good governance, the private sector, closing the gaps in infrastructure and skills, and supporting countries emerging from conflict.

Protecting Africa's services and growth

AfDB played a key role during the global financial crisis, helping to mobilise finance that enabled African countries to take counter-cyclical measures and protect their public services and development programmes. It is investing heavily in overcoming Africa's vast infrastructure gap, which it estimates adds 40 per cent to the costs of doing business and will only become more acute as Africa's growth continues.

Some 20 per cent of AfDB's resources are going into promoting regional integration through hard and soft infrastructure, to reduce the fragmentation of the African economic space. It is exploring opportunities to promote more inclusive growth, in particular by making job markets work for young people. And it is working hard to mobilise international finance for climate change adaptation and clean energy, including through a new Africa Green Fund. While Africa is disproportionately

> "Africa's rise is more than just a resource boom. Today's spectacular growth in telecoms, construction, the financial sector and agri-business is a sign of structural change in the African economy"

vulnerable to the impact of climate change, this is a moment of opportunity for a continent with such a large share of the world's clean energy potential.

At the G20 summit in Cannes, there is a need for a very different international development agenda. By and large, aid has played a substantial role in meeting critical financing gaps in many African countries for purposes of development. However, often it has been too little and too late. The pledges of large increases in aid that marked previous international summits are not credible in today's climate, which is understandable. While development partners' official development assistance is critical, Africa's increasing needs for finance require looking for other sources: not just aid, but also domestic savings and revenues, private foundations, remittance flows and the international capital markets.

While Africa can still benefit from the advice of traditional donors and development institutions, new partnerships with the emerging economies and 'learning by doing' are perhaps still more beneficial. I would like to see the G20 and its Development Working Group at the forefront of this new development paradigm and the new international architecture it requires. ◆

   

UN MESSAGE AUX LEADERS DU G20

L'Agriculture est la voie menant à la prospérité en Afrique

L'agriculture demeure le poumon économique de l'Afrique subsaharienne. Elle contribue pour 45% de notre PIB et 60% des recettes d'exportation. Environ 76% des 987 millions d'Africains vivant dans les zones rurales dépendent de l'agriculture pour leur moyen de subsistance.

Mais la performance agricole demeure médiocre. Les rendements de céréales sont moins de 1 tonne par arpent—juste un cinquième de la moyenne mondiale. L'apport de l'Afrique au commerce agricole global représente juste 2%. En conséquence, la moitié des Africains ne vivent que de 1,25 dollar par jour. Un nombre sans cesse croissant de 265 millions d'Africains sont mal nourris.

La production agricole en constante augmentation constitue le besoin le plus urgent du continent. Une augmentation de 10% de la productivité réduirait la pauvreté de 4% à court terme et de près de 20% au fil du temps. Pour accroître la production, les Africains doivent relever simultanément plusieurs défis: il doit y avoir un investissement accru dans la recherche agricole et la science. Les paysans ont besoin de l'accès amélioré aux semences de qualité, aux intrants agricoles et au financement. Les sols appauvris doivent être engraissés à nouveau. Il faut que les Africains mettent au point des marchés fonctionnels et accroissent les investissements dans les infrastructures liées à l'agriculture. Enfin, les paysans africains ont besoin d'un meilleur appui de leurs gouvernements et de l'aide pour s'adapter à l'impact néfaste du changement climatique.

L'opportunité pour promouvoir la sécurité alimentaire en Afrique n'a jamais été plus grande qu'aujourd'hui. Des progrès importants s'opèrent au Ghana, au Malawi, au Mozambique et Tanzanie.

L'Alliance pour une Révolution Verte en Afrique (AGRA) collabore avec les paysans aux ressources limitées en Afrique à travers la filière agricole du continent. Nous apportons de nouvelles techniques, de nouvelles technologies, et la formation aux communautés rurales et aux paysans. Notre préoccupation est de trouver des solutions dans un pays ou région et de les introduire dans d'autres endroits où elles ont la potentialité d'accroître les rendements agricoles, la productivité et les revenus. Nous sommes dirigés par des Africains, sommes basés en Afrique et nous entretenons des partenariats avec les institutions multilatérales, les agences de développement, les sociétés privées, les institutions de recherche et les gouvernements pour créer des systèmes durables en appui aux paysans aux ressources limitées en Afrique.

L'AGRA opère dans 13 pays. Notre réseau nous permet de transférer les connaissances, les technologies et l'expertise à travers les régions et les communautés dans les domaines allant des semences aux sols et de l'accès au marché aux financements innovateurs et à la politique. Notre attention porte sur la mise à l'échelle des innovations et des approches qui ont la potentialité de transformer l'agriculture des paysans aux ressources limitées à travers le continent, et faire de l'agriculture une entreprise productive et rentable. Notre objectif est de sécuriser l'Afrique sur le plan alimentaire à force de systèmes agricoles hautement efficaces, compétitifs, productifs et durables.

Les Africains accueillent favorablement l'engagement des leaders du G20 à aborder la sécurité alimentaire au plan global tout au long de l'année 2011. En se projetant sur l'avenir, nos partenaires au développement devraient se départir de l'assistance alimentaire pour passer à l'investissement dans les paysans aux ressources limitées par la formation, le développement des marchés et en finançant les meilleures semences, les sols, les intrants agricoles et le financement innovateur. De nouveaux investissements sont également nécessaires en vulgarisation agricole et en recherche, dans la construction des dessertes rurales, les systèmes d'irrigation et les infrastructures agricoles. Ces efforts permettront aux paysans africains de générer plus de produits alimentaires pour eux-mêmes et leurs communautés et leur permettre de vendre leurs excédents et diversifier les plantes à grande valeur, le bétail et les fruits.

Le développement de l'agriculture en Afrique est la voie du continent vers la prospérité. Joignez-nous pour aider les paysans africains aux ressources limitées à être les partenaires à part entière de l'économie mondiale.

—Namanga Ngongi, Président, AGRA




A MESSAGE TO THE G20 LEADERS

Agriculture is Africa's path to prosperity

Agriculture is the mainstay of Sub-Saharan Africa's economy. It contributes 45% to our GDP and 60% of export earnings. Three quarters of Africa's populations are directly dependent on agriculture for their livelihood.

But Africa's agricultural performance remains poor. Cereal yields are less than 1 ton per acre—just one fifth of the global average. Africa accounts for just 2% of global agricultural trade. As a result, half of Africans exist on less than $1.25 per day. A staggering 265 million Africans are undernourished.

Increasing agricultural production is the continent's most urgent need. A 10% increase in productivity would reduce poverty by 4% in the short run, and nearly 20% over time. To increase production, Africans must simultaneously address several challenges. There must be increased investment in agricultural research and science. Farmers need improved access to quality seeds, crop inputs and finance. Depleted soils must be renourished. Africans need to develop functioning markets and increase investments in agriculture-related infrastructure. Finally, African farmers need better support from their governments and help in adapting to the harmful impact of climate change.

The opportunity to advance African food security has never been greater than today. Significant progress is taking place in Ghana, Malawi, Mozambique and Tanzania.

The Alliance for a Green Revolution in Africa (AGRA) works with Africa's smallholder farmers across the continent's agricultural food chain. We bring new techniques, technologies and training to rural communities and farmers. Our focus is finding solutions in one country or region and introducing them into others where they have the potential to increase crop yields, productivity and incomes.

We are African-led and African-based, and we partner with multilateral institutions, development agencies, private companies, research institutions and governments to create sustainable systems in support of Africa's smallholder farmers.

AGRA operates in 13 countries. Our network enables us to transfer knowledge, technologies and expertise across regions and communities in areas ranging from seeds to soils, and from market access to innovative finance and policy. Our focus is on scaling-up innovations and approaches that have the potential to transform smallholder agriculture across the continent, and make farming a productive and profitable business. Our goal is a food secure Africa with highly efficient, competitive, productive and sustainable agriculture systems.

The commitment of the G20 leaders to address global food security throughout 2011 is urgently needed. Moving forward, our development partners should shift their focus from providing food aid to investing in Africa's smallholder farmers through training, market development, and by supporting better seeds, soils, farm inputs and innovative finance.

New investments are also needed in agriculture extension and research, and building rural roads, irrigation systems and farm-related infrastructure. These efforts will enable African farmers to grow more food for themselves and their communities, and enable them to sell their surpluses and diversify into high-value crops, livestock and tree products.

Growing Africa's agriculture is the continent's path to prosperity. Africa needs nothing less than a green revolution. Join us in helping African smallholder farmers be full partners in the global economy.

—Namanga Ngongi, President, AGRA

Assisting in regional reform to maintain development gains

Several governments in the Middle East and North Africa have responded to recent unrest by bringing about political and social reforms – a process that the Islamic Development Bank Group is helping to implement

By Ahmad Mohamed Ali, president, Islamic Development Bank Group

As a 'South-South' development financing institution, the Islamic Development Bank (IsDB) uses resources from its better-off member countries to assist those that are less well off. Most of its members in the Middle East and North Africa (MENA) region account for about 35 per cent of the total membership of IsDB (including Turkey and Iran). Recent developments provide both an opportunity and a moral obligation for the G20 and the multilateral development banks (including the IsDB) to help the region in their short-term and long-term reforms, on both the political and socioeconomic fronts.

Between 2006 and 2008, the 19 member countries in the MENA region recorded an average economic growth above five per cent per year. This trend was interrupted by the global financial crisis, which saw economic growth decelerate to 0.4 per cent in 2009. Due to strong economic fundamentals, the region has recovered rapidly, registering close to its pre-crisis growth rate of 4.7 per cent in 2010. The region has also recorded an average current account surplus of 6.8 per cent of gross domestic product per year between 2000 and 2010. However, inflation averaged 10.2 per cent per year over that time. Against the backdrop of the eurozone and US debt crises, the macroeconomic outlook of the region for 2011-12 is promising.

Protests across the Middle East and North Africa forced a rethink by governments in several countries

The MENA region has seen waves of civil unrest, youth violence and the destruction of lives and property over recent months. The root causes have been attributed to economic hardship, youth unemployment, and a lack of political freedom, good governance and inclusive growth. This turmoil could reverse the decade-long gains made in development. Unemployment is a scourge in the region due to the bulge in the youth population and a mismatch between the skills available and regional needs. The World Bank estimates that the Arab world would need to create 80 million new jobs over the next 15 years to keep up with annual population growth averaging 1.7 per cent between 2001 and 2010. According to the International Labour Organization (ILO), youth unemployment averages 23.6 per cent, including 23.7 per cent in the Middle East and 23.6 per cent in North Africa.

Reforms for social change

In response, some governments are quickly implementing wide-ranging political and socioeconomic reforms to improve the lives of their citizens. Spending programmes focus on providing unemployment benefits and insurance schemes, increasing public investment in infrastructure and the housing sector, providing jobs for young people, enhancing support for small- and medium-enterprises (SMEs), increasing social inclusion, improving the quality and relevance of education, and launching labour-intensive projects.

The IsDB Group – through the Islamic Corporation for the Development of the Private Sector (ICD), the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) and the Islamic Research and Training Institute (IRTI) – is helping MENA countries in implementing their reforms. The region has received $38.7 billion of total IsDB Group net cumulative approvals. Recent interventions include supporting youth employment generation and social safety nets, strengthening infrastructure and human development, promoting the SME sector and microfinance, and enhancing vocational training.

The MENA region, according to the World Bank, needs between $75 billion and $100 billion in new infrastructure investment annually to sustain recent growth rates and boost economic competitiveness. The IsDB, in partnership with the World Bank and the International Finance Corporation (IFC), recently launched the Arab Financing Facility for Infrastructure (AFFI), which aims to raise up to $1 billion in new financing to leverage infrastructure investment in Arab countries and drive inclusive economic growth.

In the wake of the turmoil in the region, the IsDB approved a financing package of $250 million to reduce youth unemployment in affected countries. The IsDB and IFC launched the Education-for-Employment (E4E) initiative in the Arab world to mobilise $2 billion over the next five years, while engaging the private sector to create new job opportunities for employment-based education and enhancing labour-market skills for Arab youth and women. Moreover, the ICD is establishing programmes for country-specific SME facilities.

The IsDB is also partnering with international financial institutions (IFIs) in a joint approach to private-sector development in North Africa, aiming to develop a shared vision that addresses the common challenges of high unemployment, skills mismatch, large regional income disparities and low levels of private-sector investment. Furthermore, the IsDB Group announced its 2011-13 programme support for Egypt ($2.5 billion) and Tunisia ($900 million), and is broadening and strengthening its partnership with Arab regional multilateral institutions.

To support the Islamic financial services industry in the region and beyond, the IsDB has established the International Islamic Financial Market (IIFM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic International Rating Agency (IIRA).

The G20, as well as the rest of the international community, plays an important role in infrastructure

IF GLOBALIZATION IS ESSENTIAL, THEN A NEW GLOBAL GOVERNANCE IS A MUST

Political action, in the 21st century, differs vastly from that of the one preceding it. World dynamics, interstate interactions, and events that shape global politics today redefine not only the issues but also the actors and institutions on the political stage. The 20th-century institutions were established in a specific manner to confront and solve the social, economic and political challenges of the era they belonged to. These Bretton Woods institutions' raisons d'etre were envisioned with respect to the power balance and the political-economic context.

Needless to say, without these institutions the world would not have been able to survive the turbulence caused by the end of the Cold War in the 20th century. While the IMF's role was instrumental in establishing financial stabilization, the World Bank focused its efforts on the countries in need of growth and struggling with poverty reduction, UNICEF channeled its efforts to protect and rescue children from harm's way and UNDP helped make development more sustainable. However, with a new century and a new world order, these institutions' mandates and operational capacities have been called into question. The remedies for the diseases of the 20th century are no longer able to cure the maladies of the 21st century.

The profound transformation in our relationship to politics explains the dominance of transnational actors in international relations. In the 21st century, the individual comes to the forefront. With the advances in information and communications technology (ICT), the virtual and real distance between individuals has diminished. As a result, the sharing of intellect has become commonplace and the increasingly numerous channels of communication have enabled greater participation. With this, individuals have discovered themselves and claimed their role in the development of their own society and global politics.

The introduction of the individual to the political stage brought about a new setting to the functionality of global politics. In turn, this new setting triggered new trends. Among these new trends we find new forms of interactions, demands for new products and services and, accordingly, new currents in consumption patterns. Such interactions are not confined to geographical limitations; movement of labor and capital denies borders and alters the existing structures.

The aggregate impact of the new course of social dynamism redefines the notion of nation-state dynamics. Whereas international relations were defined by nation-to-nation interactions, today company-to-company, individual-to-individual, consumer-to-consumer, etc, best describes the new social atmosphere. As a result, there is a free flow in the commerce of services. Economic life does not abide by geographical limits, and thus regional or local regulations are insufficient to take advantage of this new dynamism.

Although boundaries between nation states become blurred, a competitive market economy is a managed system; it is not emancipated either locally or globally. For a market economy to deliver the expected benefits, it has to provide the players with a symmetric and complete set of information and must work in a homogeneous framework. When markets fail, there must be a set of regulations that can help solve the situation.

The need for cooperation to regulate and manage these new trends must be addressed. Just how acute the need is for better and more cooperation is evident with the example of the 2008-2009 economic crisis. This episode is an excellent (and catastrophic) case study of the lack of financial sector regulation mechanisms. If the United States and the European community had come to a common regulation understanding, the economic crisis might not have happened and/or precautions could have been taken, and at least the aftermath of the crisis might not have been as deleterious as it was.

As we enter a new period in which a rethinking of the established rules is at the top of the agenda, we must take lessons from 2008-2009. In fact, as economic trends become transnational, insisting on local regulatory principles is hopeless. We are in an era in which we have to improve the new global governance system and regulation system or, even though it is undesirable, we must settle for the status quo. Any intermediate solution would leave us worse off since it would naturally force states to make protective policies. As true adherents of a market economy, we must adhere to all of the rules of the game. We cannot accept the market economy's philosophy and neglect its requirements.

In this respect, the G20 is an invaluable response because it brings together heads of states to address global issues. The G20 is also a very competent initiative to tackle the lack of coordination, as it has an extensive representative capacity. Under the G20 umbrella, the emerging population and wealth come together and constitute the new collaborative system of the 21st century. Through the lens of the G20, we can identify three options for dealing with the international system: restructuring, reconstructing or maintaining the status quo.

Unsurprisingly, any reconstruction process will take time. However, some issues demand immediate attention. The most imminent response must be given to energy security, financial sector regulation and climate change. Failing to address these issues is detrimental to all segments of the world, because a successful development process will be at risk. The short-term effects will be consequential, and it will be nearly impossible to rewind if we do not address these issues immediately.

The World Business Council for Sustainable Development produced a report, Vision 2050, that addresses our key concern here: "The window for action could be closing, and much will need to be done in the next decade. Progress must be secured across many different domains, sectors and regions. Government, civil society and the public at large must be equally committed. Delaying action will make the already ambitious targets that much harder to achieve."

In an increasingly globalized world, global understanding and coordination are crucial. The G20 has a great responsibility to facilitate a better form of global governance. In order to accomplish such an important task, this representative entity needs to consolidate and further institutionalize itself.

As members of the G20 community, we must create a forum for revising the current international system and consolidating G20 under the auspices of G20. This convention should be expected to bring forth a preliminary framework to be assessed at Mexico in 2012.

development, microfinance, SMEs, tourism, agriculture and water resources management, human and institutional capacity-building, and food security. These areas are part of the G20 action plan for shared and inclusive growth being developed by the multilateral development banks (including the IsDB), as well as specialised international agencies including the World Trade Organization (WTO), the ILO and the International Fund

> To implement the G20 action plan, development assistance should be based on the needs and priorities of the countries in the region

for Agriculture and Development (IFAD). That action plan will be presented at the Cannes Summit.

To implement the G20 action plan, development assistance should be based on the needs and priorities of the countries in the region. Special attention should be given to 'South-South' cooperation and institutional capacity at the country level for achieving sustainable socioeconomic development. In particular, the action plan should be country-owned and country-led, with a focus on the needs of the youth and the unemployed.

As a result of the crisis in some MENA countries, the confidence of both local and foreign investors has been shaken, and risks and uncertainties have increased. The G20 leadership must help to facilitate growth led by the private sector, given that private-sector engagement has become the main driver of economic and social progress worldwide. The G20 and the IFIs can help the region with financing as well as with creating an enabling environment for private investors, generating high-quality jobs and restoring confidence of the business and private sector.

Global commitments

G20 members are called upon to enhance the level of development assistance through greater alignment of aid with national priorities, more transparency in aid delivery, and promotion of 'South-South' cooperation with more focus on aid for trade. They are also called on to revitalise the global commitment for achieving the Millennium Development Goals by 2015. The G20 and other stakeholders should join with the IsDB in designing E4E solutions for addressing unemployment and supporting the AFFI initiative to catalyse private, as well as public, investment for infrastructure development.

Similarly, the G20 must reaffirm its commitment to identifying bankable growth-supporting projects, preferably at the regional level. The G20 also needs to provide strong support to economically viable, socially responsible and environmentally sustainable private investment in the agriculture value chain to face the challenge of food security. Finally, the G20 should consider mainstreaming Islamic finance in the international financial system in order to avoid a repeat of the 2008 global financial and economic crisis. ◆

An Egyptian woman celebrates after a wave of protest swept President Hosni Mubarak from power

Anambra State of Nigeria: achieving the Millennium Development Goals

Mr Peter Obi,
Governor of Anambra State

1. BACKGROUND: THE STATE, ITS VISION AND ITS DEVELOPMENT STRATEGY

1.1 The State and its Chief Executive

Located in the south-east geopolitical zone of Nigeria and home to the Anambra Igbo, who are undoubtedly the most entrepreneurial group of people in sub-Saharan Africa, Anambra State today is under the democratic governance of Mr Peter Obi, who was elected Governor in 2006 and re-elected in 2010 for a second four-year tenure, thus becoming the only Governor of the State ever to serve two terms.

With solid academic preparation at a variety of Ivy League institutions, complemented by vast business/financial experience garnered from positions as chairman and director of a number of quoted companies, Mr Peter Obi came well prepared for the job.

Before becoming Governor, his quest for knowledge had taken him to the University of Nigeria; Lagos Business School Nigeria; Harvard Business School, US; London School of Economics, UK; Columbia Business School, US; Kellogg Graduate School of Management, US; Institute for Management Development, Switzerland, etc. Much of his business and financial experience came from his positions as former chairman of Fidelity Bank, Future View Securities Ltd and Paymaster Nigeria, as well as former director of Guardian Express Bank and Chams Nigeria.

Mr Obi's sure-footedness in the business world has also been enhanced by his membership of a number of reputable professional associations: Fellow, Nigerian Institute of Bankers; Member, Nigerian Economic Summit Group; Commonwealth Business Council; British Institute of Directors, etc. Happily married and the father of two teenage children, 50-year-old Governor Obi undoubtedly possesses the academic, professional and social stability for the onerous task of governing Anambra State.

1.2 Our vision, our strategy

The Vision of Anambra State under Peter Obi's administration is to achieve the Millennium Development Goals (MDGs). From all indications, Anambra State is among the very few subnational governments in Africa to have adopted the MDGs as their vision in their commitment to the development of their societies.
The strategy for achieving this vision is a unique approach, christened Anambra Integrated Development Strategy (ANIDS), with which all targets of the MDGs are being pursued simultaneously. The beauty of ANIDS lies in its simultaneous development of all sectors.

ANIDS is, basically, a strategy that allows the State Government to plan carefully, budget properly, implement the plan, monitor the implementation, ensure delivery of the plan and encourage participation and feedback from the communities and stakeholders for whom the various ANIDS projects are being executed.

At the heart of the participatory governance in Anambra State today is the involvement of the people in all stages of the project cycle – from planning and budgeting to implementation. With ANIDS, the State has moved its planning and budgeting from being supply-driven to being demand-driven. This is necessary in order to maximise the benefits from very scarce resources because Anambra, not being an oil-producing state, is a relatively poor state.

Because it is anchored on careful planning and budgeting, ANIDS enables the government to identify budgetary gaps, some of which the state needs to fill with the support of its development partners. Thus, in view of the meagre resources of Anambra State, collaboration with development partners (national and international) is of utmost importance. Unlike the situation in the past, before the Peter Obi administration, when Anambra was a pariah state and a no-go area for international development partners, a number of them are operating in Anambra State today, notably the United Nations Development Programme (UNDP), the European Union (EU) and the UN Children's Fund (UNICEF).

2. HOLISTIC DEVELOPMENT: STRIVING HARD, ACHIEVING RESULTS

ANIDS is the driving force behind the rapid development that has been taking place in Anambra State over recent years, with landmark achievements in every sector of the economy. Appreciating Anambra's efforts, the former Senior Special Assistant to the President on MDGs, Hajiya Amina Az-Zubair, said, "Anambra State has made remarkable success in the implementation of the MDGs Programme." The following examples will illustrate the efforts and some achievements in a few sectors:

2.1 Fighting poverty and hunger

As a pro-poor, grassroots-oriented government, one of the first steps taken by the Peter Obi administration in its fight against poverty was to do a Poverty Mapping of the State to establish its poverty profile. Having thus identified the poorest Local Government Areas (LGAs), the government is making concerted efforts to eradicate extreme poverty in the State, particularly in these poor LGAs. Consequently, Anambra State government has consistently churned out pro-poor policies and programmes as the basis for poverty eradication in the State.

Governor Peter Obi at the distribution of empowerment tools to the physically challenged

In this regard, the FADAMA III Programme has been a major avenue for providing capital and equipment support to hundreds of rural dwellers engaged in agro-related activities; capital support has also been given to thousands of the less-privileged – particularly women, widows, the physically challenged, as well as caregivers of orphans and vulnerable children – to enable them to either expand their trade or start petty trading or small-scale farming.

Revolving loans have been made available to hundreds of women's cooperative groups to establish small-scale, agro-based businesses such as poultry farms, fish ponds and pig farms. Sundry equipment (including palm oil-processing machines, palm kernel-cracking machines, food-processing machines, soap-making machines and electricity-generating sets to power them) have been distributed to cooperative groups to establish cottage industries.

A variety of skill-acquisition training sessions have been organised for the unemployed (especially the indigent, physically challenged, women and youths) who have been subsequently empowered with micro-enterprise equipment such as computers, generators, hairdryers, sewing machines, shoe-making machines, welding machines, vulcanising machines, motorcycles, woodwork/carpentry tools, barber's shop tools, ovens, cookers, etc, to make them self-reliant through self-employment.

Poverty reduction is also being pursued through massive expansion of rural roads, especially in remote food-producing areas, thus opening up such strategic areas of the state with good access roads. This enables the government to send much-needed agricultural inputs to such remote rural areas; it also enables rural farmers to evacuate food items and other agricultual produce to urban markets for better profits and to feed the people. Today, Anambra State is reputed to have the best network of roads in Nigeria, especially in rural areas.

The creation of jobs, especially for young people, is another major weapon in the fight against poverty. The government's aggressive efforts to create an enabling environment for local and foreign investors are yielding fruit and will create thousands of jobs.

The establishment of a neem-based organic fertiliser plant to produce fertiliser will boost the huge capacity of the agricultural sector to generate employment. The ongoing construction of a giant facility in Onitsha by South African Breweries (SABmiller) is expected to create hundreds of jobs. The construction of the First and Second Business Parks in Onitsha is boosting commercial activities (the First has been completed and put to use while work on the Second has reached 90 per cent completion).

The government is collaborating with Innoson Vehicle Manufacturing Company in Nnewi (the first indigenous vehicle manufacturing outfit in the country) and also revitalising/resuscitating abandoned and comatose industries, including Omor Rice Mill, etc. Commending poverty reduction efforts by Anambra State, Dr Magnus Kpakol, Coordinator of the National Poverty Eradication Programme (NAPEP), said: "Governor Obi was the first governor to visit my office to discuss how to fight poverty in his state and remains determined and dogged by initiating effective economic empowerment programmes."

2.2 Education

ANIDS achievements in the education sector are truly heart-warming. Before Governor Peter Obi's administration, not one single public secondary school in the state had a properly equipped, functional science laboratory. The scenario was no better in the area of computer literacy: in this age of information technology, computers were virtually unheard of in public schools. Today, the situation has changed dramatically in terms of ICT, science laboratories, electricity, water supply, etc. About 150 schools have benefited from the laboratory rehabilitation and equipment programme of the government; more than 120 schools have been supplied with computer sets – each school receives 10 desktops with full accessories; Microsoft Academies have been established in 120 schools, with 50 laptops each; school buses have been provided for more than 100 secondary schools – the first time ever in the history of the state; technical colleges have been renovated and fully equipped; electricity-generating sets and water boreholes have been provided for schools, etc.

Unprecedented progress has also been made in the provision of infrastructure in primary and secondary schools. When Peter Obi assumed office as Governor, there was no single public primary school classroom block that was not leaking; none without cracked walls, so much so that many of them constituted death traps to

Micro-enterprise equipment being distributed to unemployed youths

An example of the new look of primary school classrooms across the state

schoolchildren and teachers alike. The situation was the same for secondary schools, where trees were found to have grown in some classrooms! Today, the government's achievements in all education sub-sectors have been truly astonishing: construction of new classroom blocks and renovation of existing ones in numerous primary and secondary schools across the 21 Local Government Areas of the state (new prototype, five-room classroom blocks are simultaneously being provided for all the 177 communities in the state, at three blocks per community); and construction and renovation of numerous buildings, including students' hostel complexes. The result has been the creation of a conducive environment for learning at all levels of education.

2.3 Health

Achievements in the health sector have been equally impressive, as our health indicators have continued to improve. Under the Peter Obi administration, there has been remarkable improvement in the provision of infrastructure for primary health centres, general hospitals and tertiary health facilities, as exemplified by the astounding transformation going on at the Teaching Hospital of the State University.

With special focus on maternal, child and reproductive health services, the State Government has given unprecedented support to the improvement of primary healthcare services through the provision of new infrastructure and upgrading of existing ones: at least five Primary Healthcare Centres (PHCs) have been rehabilitated in each of the 21 LGAs and numerous new PHCs and general hospitals constructed across the State; essential drugs, medical equipment, furniture, potable water, electricity-generating sets, etc, have equally been provided for these health facilities.

Commendable efforts have also been made to build the capacity of existing and incoming health providers: capacity training for hundreds of doctors, nurses and other health workers; securing accreditation for the state's Schools of Nursing, Midwifery and Health Technology through provision of a multiplicity of infrastructure and facilities including lecture rooms, computer rooms, libraries, IT equipment, audio-visual/teaching aids, furniture, office blocks and equipment, students' hostels, etc.

A remarkable innovation in the provision of healthcare in Anambra State is government's support to voluntary agency/ mission hospitals and training institutions (previous governments had ignored such health facilities, as all attention was focused on government-owned health facilities). Today, the Peter Obi administration has provided facilities to secure accreditation for mission hospitals, giving regular financial support (Grants-in-aid) to such hospitals and mission Schools of Nursing and Midwifery across the state, providing them with logistics support by donating buses and ambulances, supplying them with drugs, and extending a lifesaving hand of friendship and cooperation.

2.4 Environment

Achieving the goal of ensuring environmental sustainability depends on the prevention of loss of environmental resources, provision of sustainable access to safe drinking water and basic sanitation, drastic reduction of the proportion of urban populations living in slums, etc. The Peter Obi Administration has recorded remarkable achievements in this regard and, although a lot still needs to be done, its ongoing efforts and what it plans to do in the next three years give a clear indication that this Goal 7 of the MDGs is achievable by the state.

The problem of access to safe water and sanitation, which remained intractable before the Peter Obi administration, is now being effectively tackled by the state on its own, as well as in collaboration with its development partners. Some of the results include: provision of hundreds of boreholes all over the state in schools, health facilities and communities generally in both urban and rural areas; scaling up from boreholes to medium- and large-scale water schemes, especially through the resuscitation of water projects, most of which were abandoned many years ago (ongoing work at more than 15 major water schemes will, on completion, provide access to safe water for hundreds of thousands of people in various parts of the state); construction of hundreds of toilets (VIP, pour-flush, sunplat, etc) across the state, particularly in schools, health facilities and public places; provision of sanitation/clean-up equipment, including payloaders, dumpsters, receptacles, etc; and a massive clean-up of the three major cities, particularly the commercial city of Onitsha.

To combat environmental degradation and loss of environmental resources, the government is battling the erosion

Anambra State University teaching hospital in Awka, which is nearing completion

Completed intervention at Ebenebe gully erosion site

Flood control and slum upgrading: dredging of Sakamori and Nwangene Creeks, Onitsha

menace in virtually every part of the State (with up to 1,000 active erosion sites across the State, Anambra is one of the worst hit areas in sub-Saharan Africa); a number of flood-control measures are also being adopted, including effective design and construction of roads with proper drainage, massive de-silting of drainage systems in urban areas, and the opening up of Sakamori and Nwangene creeks in Onitsha to stop the flooding that is threatening to submerge this giant city, identified by UN-Habitat as one of the fastest growing cities in the world.

Concerned about the unplanned and uncoordinated growth of cities all over the developing world, resulting in slums in most major cities, the Peter Obi administration has taken steps to forestall this in Anambra State; with the assistance of UN-Habitat, Anambra became the first state in Nigeria to produce Master/Structure Plans for its three major cities (the Administrative/State Capital Awka; the commercial city of Onitsha and Nnewi, the industrial hub).

3. CONCLUSION: THE NEED FOR PARTNERSHIP

The Government of Anambra State today is working around the clock to achieve its vision of achieving the MDGs. With a clear vision and a well-articulated and innovative strategy to achieve it, Governor Peter Obi and his team are ready to confront the State's development problems. The greatest problem is funding to fill budgetary gaps, in view of the state's poor revenue base.

Consequently, a lot of funding support is required, particularly from international development partners and well-meaning corporate organisations. Secondly, such assistance should be demand-driven by supporting already planned and ongoing projects that meet local needs and which, ultimately, help to achieve the Millennium Development Goals.

Anambra State has already acquired a reputation for accountability and faithfulness in the use of development partnership funds, as attested to by a good number of heart-warming outcomes of international development partnerships in the state: rated best overall state in the implementation of the EU-WSSSR Programme and consequently one of only three states in Nigeria currently benefiting from the EU/UNICEF additional funding for good performance to provide water and sanitation facilities. Anambra is now rated best in the implementation of the World Bank FADAMA III Programme, although it was the last state to join.

As a sign of its commitment, the state has been the first to sign the Programme Implementation Agreement with UNICEF for three consecutive years since 2009. To the delight of UNICEF and other child-friendly groups and individuals, Anambra State pioneered the Children's Town Hall Meeting with the Governor to involve children in the participatory democracy in the State by giving them a voice in governance (the Children's Town Hall Meeting is now an annual event, with the 2010 edition attracting more than 3,000 children, who presented close to 300 questions and requests to the Governor as part of the interaction); regularly playing host to very many national and international dignitaries who can now visit the state because of the peace and decency in governance that now reign here.

Indeed, Anambra State has created a conducive environment for investment and development partnership to achieve the MDGs. The need for such partnership is huge and its time is now!

Governor Obi with EU Ambassador David MacRae, commissioning an EU-supported water project

GOVERNMENT OF ANAMBRA STATE OF NIGERIA

www.anambrastate.gov.ng

A woman sells fish and chicken at her market stall in Kivu province, DR Congo, where around 3,400 women received training funded by the United Nations

How social business can empower the poor

As global capitalism creates increasing disparities in wealth, there is a growing need for the promotion of the social business model – where the bottom line is not profit, but instead the number of children overcoming nutrition deficiency

By Muhammad Yunus, Yunus Centre, Dhaka, Bangladesh

Capitalism centres on the free market. It is claimed that the freer the market, the better the result of capitalism in solving the questions of what, how and for whom to produce. It is also claimed that the individual search for personal gains brings a collective optimal result.

However, around the world today, crisis after crisis keeps surfacing: in food, energy, the environment and oil. Many of the problems today persist because of a too-narrow interpretation of capitalism. As a result suffering, abuse, exploitative business practices and environmental degradation are commonplace.

Given the opportunity, people would come into the marketplace to express their selfless urges by running a special type of business – called social businesses – to make a change in the world. In the absence of such opportunity in the marketplace, people express their selflessness through charities. Charitable efforts have always been there and they are noble. They are needed. Yet business is able to innovate, to expand, to reach more and more people through the power of the free market.

Sentech: the backbone of South Africa's broadcasting media services

Sentech is a State-Owned Enterprise (SOE) operating in the broadcasting signal distribution and telecommunications sectors and reporting to the Minister of Communications. Sentech began as a technical division of the South African Broadcasting Corporation (SABC), responsible for signal distribution services of the Corporation. In 1992, the SABC corporatised the division as Sentech, a wholly owned subsidiary of the Corporation. In 1996, the Sentech Act 63 of 1996 was amended, converting Sentech into a separate public company responsible for providing broadcasting signal distribution services as a 'common carrier' to licensed television and radio broadcasters.

In terms of the Electronic Communications Act No 36 of 2005, the main object of the Company is *"...to provide electronic communications services and electronic communications network services in accordance with the Electronic Communications Act."* Within this context the Company enables government to intervene in the communications sector through network-based infrastructure.

Vision

"To be a world-class provider of a sustainable communications network infrastructure and services in South Africa."

Mission

"To enable affordable universal access to communication services in the context of South Africa's sociopolitical imperatives as a developmental state."

Mandate

- Implement and ensure sustainable operations of infrastructure-based interventions;
- Target content-based services, including but not limited to: content distribution, content storage and content management;
- Impact on the communications industry and society at large.

PRODUCTS AND SERVICES

Sentech is responsible for the development and operation of a vital infrastructure which provides broadcasting, wireless broadband and managed services to a wide range of customers. The Company owns and operates 742 FM radio transmitters, 627 television transmitters and satellite services. The broadcasting and broadband infrastructure delivers access to communication services to the furthest and most remote places in the Country.

BROADCASTING AND MEDIA

Radio Signal Distribution

Sentech's FM transmitters broadcast in the FM frequency spectrum of 88MHz to 108MHz. Sentech currently provides FM broadcasting services to 17 SABC public radio stations, 20 commercial radio stations and more than 65 community radio stations throughout South Africa, reaching more than 10 million listeners. The high quality of signal integrity makes FM (Frequency Modulation) the frequency spectrum that is most favoured by audio broadcasters. Sentech also offers value-added services to enhance the quality and functionality of its FM radio services, including Audio Processors and Radio Data Services (RDS).

Medium Wave (MW) broadcasting uses the frequency spectrum between 535.5 kHz and 1606.5 kHz. Sentech's MW transmitters use different transmitter power configurations, from 1kW to 100kW, which cover a large geographical area per transmitter. Sentech currently provides MW broadcasting services to four MW radio stations.

Sentech currently provides Short Wave (SW) broadcasting services to 17 SW Stations to various parts of Africa, including BBC World, Radio France International and Trans World Radio. Sentech operates the most powerful SW transmitters in Africa and can cover not only the entire African continent, but also southern parts of Europe. The Sentech Short Wave station in Meyerton transmits SW radio signals into South Africa and the rest of the African continent. This medium of broadcast offers the opportunity to target remote areas with the use of very high-powered transmitters and high-gain antenna systems.

BROADCASTING AND MEDIA (continued)

Television Signal Distribution

Sentech provides terrestrial television services for the public broadcaster, private commercial broadcasters and community broadcasters. Sentech's extensive network covers in excess of 92 per cent of the national population. Sentech's TV transmitters broadcast a signal on the VHF and UHF frequency spectrum of 175MHz to 847MHz, bringing trouble-free signals to the homes of millions of South Africans. This frequency spectrum offers a high quality of signal integrity and is favoured by the majority of broadcasters.

Direct-to-Home Satellite Distribution Platform

Free-to-View Television is an alternative digital satellite television home viewing platform. Unlike the conventional satellite pay-television services, Free-View is free, meaning that there is no monthly subscription fee to view a number of channels currently hosted on the Sentech satellite platform. Sentech operates its Free-View satellite platform on Intelsat 7 and 10 and utilises the latest digital direct-to-home technology.

Sentech's ***Business Television*** (BTV) is a satellite broadcasting information distribution service that can offer cost-effective solutions for business communication, education and training. This is a point-to-multipoint, real-time communications tool, irrespective of distance and/or location, within the satellite footprint. It is typically used for business-to-business communication and brings the power of this dynamic medium into the boardroom, office and store, or wherever it is needed.

Business Radio is a satellite-based service that offers organisations the ability to educate, entertain and inform customers with powerful in-store music and messaging services. Business Radio provides the customer with the ability to send the same message in real time to all its outlets in a cost-effective manner.

WIRELESS BROADBAND

VSAT

Sentech's VSTAR service uses the Linkstar star topology VSAT network. VSTAR services are provided on the IS-7 Southern Africa KU-Band transponders, effectively providing coverage anywhere in South Africa and the SADC region. For many reasons – enterprise-wide consistency, scalability, ease of deployment and lower costs – VSAT is an attractive alternative to terrestrial connectivity.

Sentech's VSTAR platform provides:

- Geographic independence
- 24/7 internet connectivity (greater than 98 per cent uptime)
- Cost-effective, value-for-money services
- Easy and rapid deployment and scalability

MANAGED SERVICES

Studio-to-Transmitter Links

The Sentech STLs are used to link a broadcaster's studio to the relevant Sentech RF transmission facility. The STLs are very reliable and is provided with an UPS (Uninterruptible Power Supply) to ensure continued service even during power outages.

Facilities Leasing

Sentech offers leasing facilities on most of its over 225 high sites and infrastructure to customers requiring an intermediate link in their own networks. Three levels of facility leasing are offered: country sites, metropolitan sites and the Sentech Tower. Each facility comprises accommodation, mast, access road and electricity, with customers able to choose the options required.

Consulting

Sentech provide professional, technology-trained staff and the very best equipment obtained on the international market. These resources put Sentech in a position to provide world-class consulting, training and planning services to other signal distributors. The consulting services, which are offered to new and existing broadcasters, include frequency planning and technical consulting to determine equipment status and operation level. Sentech has further established a school of technology to provide training to staff and external stakeholders.

STRATEGIC NATIONAL PROJECTS

Digital Terrestrial Television

Digitising the analogue terrestrial network is a key project within the broader objective of establishing an information society. In this respect, Sentech is responsible for building network infrastructure to ensure that broadcasters migrate to digital terrestrial television (DTT) broadcasting within the International Telecommunications Union (ITU) and government timelines. DTT will provide a subscription-free, multi-channel, multi-platform viewing experience with access to a greater number of television programmes.

National Wireless Broadband Network

Compared with peer countries, both internet and broadband penetration remain on a rather low level in Southern Africa. To address this issue, the Department of Communications was tasked with rolling out a Consolidated National Broadband Network (CNBN). As an enabler, Sentech will then roll out a National Wireless Broadband Network (NWBN) to provide a multimedia platform within the CNBN. This multimedia platform will offer access and connectivity to clinics, schools and further education and training institutions in rural and underserviced areas, along with any other sphere of government.

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> Imagine if talented entrepreneurs and business executives around the world devoted themselves to ending malnutrition

Imagine what could be achieved if talented entrepreneurs and business executives around the world were to devote themselves to ending malnutrition in a businesslike fashion, but without any intention to make money for themselves or their investors.

Social business is precisely that. I came upon the idea of social business when I thought about how to use the capitalist system by giving it a new structure so that it encompasses people's innate empathy for their fellow human beings. Social business is a new kind of business, introduced into the marketplace with the objective of making a difference to the world.

The goods and services created by a social business are designed to provide benefits to poor people or to help solve a social problem. Investors in a social business can get back their investment money, but will not take any dividends from the company. Profits will be ploughed back into the company to expand its outreach and improve the quality of its product or service.

Another example of social business is a dividend-paying company – similar in structure to conventional for-profit companies, but owned directly only by poor people, or by a trust that is dedicated to a set of predefined social causes.

Since profits flowing to poor shareholders alleviate poverty, such a business thus helps solve a social problem. Grameen Bank in Bangladesh, which is owned by the poor people who are both its depositors and customers, is an example of such a social business. By their very nature, social businesses contribute to global development and social progress at the same time.

Enterprise to solve social problems

Social business is a young, vibrant field that has enormous potential for making meaningful impact and growth. Social business initiatives are taking off at a steady pace, with multinational corporations and dynamic young people involved in the promise of this exciting venture. In Bangladesh, Grameen has started social businesses in areas of health, nutrition and education, among others, to solve social problems.

The idea of social business took wings when Grameen launched a joint venture with food producer Danone. Together it formed Grameen Danone Foods and produced nutritious fortified yoghurt for undernourished children in rural Bangladesh. The product, called Shakti Doi, is made with full cream milk that contains protein, vitamins, iron, calcium, zinc and other micronutrients.

Grameen Danone Foods is a prime example of social business because it sources raw materials locally and employs local people. But, more importantly, neither Danone nor Grameen makes any money from this venture beyond recuperating the initial investment. The bottom line is to see how many children overcome their nutrition deficiency each year. There is one plant now operating in Bangladesh, with plans to have 50 such plants throughout the country.

Some people are sceptical. Who will create these businesses? Who will run these businesses? I always say that, to begin with, there is no dearth of philanthropists in the world. People give away billions of dollars. Imagine if those billions could be used in a social business to help people. These billions will be recycled again and again and the social impact could be that much more powerful.

Creating opportunity for those in need

Social business opens new doors to the world's poor. The thought that always energises me is that poverty is not created by poor people. Poor people are endowed with the same unlimited potential of creativity and energy as any human being at any stage of life, anywhere in the world. It is a question of removing the barriers facing poor people to release their creativity for solving their problems. They can change their lives, only if they get the same opportunity that the rest of the world gets.

The G20 could be a great platform to support social businesses around the world. It could make three basic interventions that would make a big difference in the existing system by broadening the concept of business to include social business in the framework of the marketplace; creating inclusive financial and healthcare services that can reach out to every person on the planet; and designing appropriate information technology devices and services for the bottom-most people and making them easily available.

Now is the time for bold and creative thinking. The world must move fast because it is changing rapidly. The first piece of this new framework must be to accommodate social business as an integral part of the economic structure. Together, if we face up to problems through changing capitalism and its institutions, we can change the way people think.

Social businesses can be an important part of that vision. And once a sustainable strategy is put in place for such a model, then the aspirations of the people will become a driving force. ◆

Children queue to collect rice as their parents work in Ukhia district, near Teknaf, Bangladesh. Further expansion of social business can help poor families to lead healthier, happier lives

A world of seven billion

As the G20 leaders discuss efforts to reduce global inequalities, there is no more important topic than the health and human rights of women and girls – an issue that is being addressed by two major campaigns launched by the United Nations

By Babatunde Osotimehin, Executive Director, United Nations Population Fund (UNFPA)

In making the social dimension of globalisation a priority for the 2011 Summit in Cannes, the G20 sets out an enormous and vital challenge for itself and the global community: to work together to reduce severe inequalities and achieve justice for all. In this task, there is no higher priority than the health and human rights of women and girls. If we make the right investments, we will not only secure their health and well-being, but their families and communities will thrive.

Global and national leaders have recognised that protecting the rights and the health of women and girls is key for achieving all development goals. We know that if a woman has five years of schooling, her children are 40 per cent more likely to live past the age of five; and if women are provided with a full package of family-planning and maternal and newborn care services, productivity losses related to pregnancy and premature death are reduced. Yet, action lags behind. Hundreds of thousands of women die due to pregnancy- and childbirth-related complications every year. These preventable complications are the leading cause of death and disability among girls aged 15 to 19 in developing countries. About 215 million women who do not want to become pregnant lack access to contraceptives in developing countries.

The solutions are not complex, nor are they expensive, especially if savings from prevention of catastrophic illness and other consequences of inaction are included in the calculation. We need to ensure that adolescent girls can stay in school, rather than be married off at the age of 12 or 15. They need to learn livelihood skills and have access to productive assets in order to postpone marriage and childbearing until they are ready. The rights of adolescent girls to comprehensive education on sexuality and health, and to sexual and reproductive health services, must be met so that they can make informed and healthful decisions.

UNFPA, the United Nations Population Fund, is at the heart of assisting countries to meet such challenges – from achieving universal access to sexual and reproductive health, to counting people and making sure that they count in all aspects of national planning, to achieve the Millennium Development Goals (MDGs) and other international development goals.

On 14 September 2011, the United Nations Secretary-General Ban Ki-moon launched the 7 Billion Actions Campaign, an initiative led by UNFPA to ensure that we meet our shared responsibility for a healthy and sustained world. The campaign is a platform for individuals, governments, non-governmental organisations, civil-society organisations, businesses, media and academia to contribute to a better world for all. Our global community has never been more interconnected and the milestone of seven billion provides an opportunity to demonstrate our shared responsibility to care for one another and for our planet. The growing global population will require renewed efforts to protect the rights and promote the health and well-being of women, children and adolescents. The 7 Billion Actions campaign is a call to action – there are seven billion possibilities.

Strategy for maternal and child health

In 2010, in an unprecedented expression of support, the UN Secretary-General launched Every Woman Every Child, a Global Strategy to enhance financing, improve policies and strengthen health services to reduce maternal and neonatal mortality and achieve universal access to reproductive health. UNFPA, UNICEF, UNAIDS, the World Health Organisation and the World Bank, have initiated a unique collaboration, H5, to assist national governments and other partners to make accelerated progress toward achieving MDG 5 and its targets. More than 500 countries with the highest numbers of maternal and newborn deaths have already committed to specific actions to achieve better health for women and children by 2015.

One of the most important of these commitments is ensuring health workers with midwifery skills are more available to assist women with normal deliveries, support access to emergency obstetric care, provide contraception, and deliver services to prevent and treat sexually transmitted infections, including HIV. In September 2011, ministers of health and senior health officials from seven countries with large numbers of maternal and newborn deaths, together with representatives of civil society, non-governmental organisations, the private sector, health professionals and partner governments, met to discuss the key priorities for reducing maternal and newborn deaths. The high-level participants agreed that key priorities were (a) training and deploying health workers with midwifery

skills at the community level, and (b) mobilising community health workers to provide a bridge between women and skilled providers. Accelerated progress toward this and other goals of Every Women Every Child would prevent approximately 190,000 maternal deaths from pregnancy-related causes and about four million deaths of children under the age of five in 2015 alone.

Another critical area of work led by UNFPA is adolescents' sexual and reproductive health and rights. Empowering adolescents, girls in particular, with knowledge of sexual and reproductive health is essential for their health and development and to decrease the many risks that adolescents face in the realm of sexuality: infections, including HIV; violence; forced marriage; sexual coercion and unwanted pregnancy, among others. With UNFPA support, countries are beginning to provide sexuality education inside and out of schools, but far more needs to be done to provide all adolescents with these vital resources and to ensure their access to the sexual and reproductive health services they need. Many global commitments have been made in the past decade to provide a clear framework for actions in this vital area.

Addressing current and future needs

The investments described here require careful planning using both population and cost projections. UNFPA also assists governments to track and analyse population trends such as growth, special distribution, characteristics, living conditions and physical resources, as well as health expenditures to ensure that policies address the current and future needs of the local population appropriately. By providing the empirical evidence that population and reproductive health issues are linked to achievement of the MDGs, UNFPA supports governments to develop nationally led poverty-reduction policies that invest in gender equality and reproductive health.

Ensuring equality in healthcare for women and girls in developing countries can only result in a positive effect on their societies as a whole

“UNFPA supports governments to develop poverty-reduction policies that invest in gender equality and reproductive health”

Finally, promotion of gender equity and protection of human rights, especially of girls and women, are the foundation stone for all of this work. Many of the health problems that girls and women face reflect violations of their human rights, including violence, sexual coercion, and discrimination in accessing information and health services. High fertility is driven by human-rights violations such as early forced marriage, preference for sons, and attitudes that value women based only on the number of children they have. We need to act now. By enabling women and girls to participate more actively in society, they positively affect their families, their communities and their countries, and thus can help to ensure a healthy and productive world.

Looking toward 2015, let us ensure that each of our seven billion, especially the half who are female, have the opportunity to reach their full potential. We can, and must, secure a just and healthy life for every woman and girl. In doing so, those seven billion opportunities will make the world a better place. ◆