

World Bank Supports Strengthening Public Financial Management in Ukraine

On January 8, 2008 the World Bank's Board of Executive Directors approved the Public Finance Modernization Project for Ukraine the amount of US\$50 million. The objective of the project is to strengthen public financial management in Ukraine by improving operational efficiency and transparency. Enhancing the transparency, efficiency and effectiveness of public financial management is an important element of the institutional modernization plan of the Government of Ukraine and has been on the agenda of successive governments since the beginning of the decade. Important progress has been made, including the establishment of a Treasury system, the abolishment of National Bank direct financing of the government, the adoption of a new Budget Code and budget classification system, the creation of an internal audit function and the improvement of the availability of fiscal information. Despite impressive economic growth and prudent fiscal policy, there are still significant institutional challenges to address for improving public service delivery. The development of the integrated public financial management system and supporting further reforms in budget planning and execution will have positive effects on the timeliness and predictability of public expenditure, including the areas relevant to combating poverty. Arrangements for improving information dissemination to civil society supported through the project will strengthen governance and accountability across the executive, and mitigate governance risks. For more information, visit: <http://go.worldbank.org/6LU90EZVZ0>

Developing Countries to Cushion Rich-Country Slowdown in 2008

A World Bank report says that resilience in developing economies is cushioning the current slowdown in the United States, with real GDP growth for developing countries expected to ease to 7.1% in 2008, while high-income countries are predicted to grow by a modest 2.2%. "Global Economic Prospects 2008," an annual Bank report, notes that world growth slowed modestly in 2007 to 3.6% compared with 3.9% in 2006, a downturn due largely to weaker growth in high-income countries. In 2008 global growth is expected to be 3.3%. A weaker US dollar, the specter of an American recession and rising financial-market volatility could cast a shadow over this soft landing scenario for the global economy, the report says.

In the first half of 2007, industrial production sped up across the developing regions, notably in East Asia (20%, year over year). Robust production data are also reflected in GDP results. China, India, and Russia were instrumental in driving up output. GDP in Europe and Central Asia is expected to grow by 6.7% in 2007, and then slow to 6.1% in 2008 and 5.7% in 2009. Inflation has risen in several countries, tied to sustained strong domestic demand and rising food and fuel prices (made worse by drought in Bulgaria and Romania). Signs of overheating are evident in Bulgaria and the Baltic states. In Turkey, an easing of monetary policy is expected to strengthen domestic demand, leading to a pickup in growth, and a continued large current account deficit. For more information, visit: <http://go.worldbank.org/XV5QISSB60>

World Bank Supports Scientific Excellence and Research Commercialization in Kazakhstan

On January 15, 2008, the World Bank's Board of Executive Directors approved a US\$13.4 million loan for the Kazakhstan Technology Commercialization Project. This project will strengthen Kazakhstan's science base by introducing international peer review for research funding based on scientific merit and commercial potential and connect improved research and development of scientific groups to national and international technology markets. In the past, Kazakhstan was known for its scientific excellence and substantial scientific capacity; with 41,000 research scientists at its peak, Kazakhstan used to be an important center of research and development in the Soviet Union. However, the number of research personnel declined dramatically and by 2004 only 17,000 researchers continued to work in the sector. Between 1993 and 2002 virtually no new scientific equipment was acquired in Kazakhstan and very little has been since, with the remaining equipment either obsolete or worn out and in urgent need of replacement. The project, with an overall value of US\$75 million, is co-financed by the Government of Kazakhstan in the form of US\$61.6 million. For more information, visit: <http://go.worldbank.org/HQF5H3QP40>

World Bank Supports Health Sector Reform in Kazakhstan

On January 15, 2008, the World Bank's Board of Executive Directors approved a US\$117.7 million loan for the Kazakhstan Health Sector Technology Transfer and Institutional Reform Project. The project will help introduce international standards and build long-term institutional capacity in the Ministry of Health and related healthcare institutions in support of key health sector reforms pursued by the Government of Kazakhstan. For a country with rapidly increasing income, Kazakhstan's health indicators could be improving more quickly. High rates of tuberculosis and high indicators of infant, child and adult mortality, cancer, tobacco and alcohol-related diseases represent major challenges to Kazakhstan's current health system. Several reform programs have been attempted over the last 10 years but, until recently, have moved slowly. "Improving the health system in Kazakhstan is essential to achieving the objective of becoming one of the 50 most competitive countries in the world," said Sergei Shatalov, World Bank Country Manager for Kazakhstan. For more information, visit: <http://go.worldbank.org/GNBZ25RHK0>

Support for Reform of Technical Safety Regulations in Georgia

The International Finance Corporation (IFC) has teamed up with the Government of Georgia to help improve the technical safety of potentially hazardous enterprises. The reform agenda includes improving how the technical inspections of businesses such as gas stations, mining enterprises, elevators, and hoisting mechanisms are conducted. It also introduces new risk-based inspections and the outsourcing of some functions to private

inspection facilities. To assist the government in this reform, the IFC has drafted an action plan that will transfer on-the-spot inspection functions to private companies, making them responsible for the safety of inspected enterprises. For more information, visit: <http://newsletters.worldbank.org/>

"Youth Voices" Group Suggests Strengthening Cooperation with Similar Groups from Nine Other Countries

A World Bank's initiative — the Youth Voices Group — is getting actively involved in the review and monitoring of the projects implemented with the World Bank's support in the Republic of Moldova. The group's involvement aims at the following priorities: social inclusion of youth, strengthening of cooperation and inclusion of young people from Transdnistria in youth activities accomplished on the left bank of the Dniester river, fighting against corruption — particularly within the education system, environment protection and global warming, and participation in the Country Partnership Strategy development. On January 22, the Youth Voices Group had an opportunity to talk to senior World Bank officials. The topics raised by the youth targeted issues of group cooperation with other similar groups from the South-East and Central Europe. For more information, visit: <http://go.worldbank.org/A0CX14H6L0>

World Bank Offering US\$4 Million in Grants for Innovations in Agriculture

The 2008 Global Development Marketplace (DM2008) competition was launched on January 22, 2008, offering US\$4 million in grants to social entrepreneurs with innovative ideas that have potential for high impact in promoting sustainable agriculture. The competition this year is asking participants to focus on solutions to agricultural challenges in developing countries such as linking small-scale farmers to markets; improving land access for poor farmers; and promoting the environmental services of agriculture in addressing climate change and biodiversity conservation. Global DM competitions are held every 12 to 18 months. Since 1998, they have awarded more than US\$30 million to nearly 300 projects worldwide. For more information, visit: www.developmentmarketplace.org.

Housing and Communal Services Reform Initiative Receives World Bank Support

Russian consumers in at least 10 cities will benefit from a pilot program to improve housing and communal services due to a partnership between the Russian Federation and the World Bank, which today approved a US\$200 million loan for a Housing and Communal Services Project in Russia. The project will test a competitive grant mechanism to cities that increase market mechanisms in housing and communal services (heating, power, water, sewage and sanitation) and also strengthen social protection of vulnerable consumer groups. The competition to participate in the pilot program will be open to cities ranging in population from 90,000-600,000 people and that meet minimum criteria of financial performance by the municipi-

pal administration and communal service providers. For more information, visit: <http://go.worldbank.org/ZCTKC2O380>

OECD, World Bank to Step Up Co-Operation on Sustainable Growth, Climate Change, Innovation and Other Topics

The Organization for Economic Co-operation and Development (OECD) and the World Bank have agreed to step up their co-operation in a number of key areas, including efforts to promote sustainable and inclusive growth in emerging economies, the economics of climate change, aid for trade, innovation and the design of comprehensive country frameworks for investment. The announcement follows a meeting of senior officials in Washington D.C. on 5-6 December 2007, including at a joint OECD-World Bank seminar on "Sustainable and Inclusive Development: Going for Growth" with the participation of OECD Secretary-General Angel Gurría and World Bank President Robert B. Zoellick. For more information, visit: <http://go.worldbank.org/Y7EX5WRHJ0>

International Comparison Program Preliminary Global Report Compares Size of Economies

The International Comparison Program released new data showing the world economy produced goods and services worth almost US\$55 trillion in 2005 and that almost 40% of the world's output came from developing economies. Carried out with the World Bank and other partners, the preliminary global report provides estimates of internationally comparable price levels and the relative purchasing power of currencies for 146 economies. One of the major findings of the report is that 12 economies account for more than two-thirds of the world's output. Seven of them are high-income economies (United States, Japan, Germany, the United Kingdom, France, Italy and, Spain), and five are developing or transitional economies (China, India, Russia, Brazil, and Mexico). The five largest developing economies account for more than 20% of global output and over 27% of the world expenditures for investment purposes. Additional details can be found at www.worldbank.org/data/icp.

Helping Smaller Businesses in Central Asia

Central Asian countries have made considerable progress in transitioning to market-based economies, yet most of them still suffer from high unemployment and poverty. To help, the International Finance Corporation (IFC) is using investments and advisory services to support private sector development, with an emphasis on the poorest countries and those eligible for public sector loans from the Bank's International Development Association. These include Azerbaijan, the Kyrgyz Republic, Tajikistan, and Uzbekistan. A major focus of its strategy in the region is to support micro, small, and medium enterprises, which form the economic backbone of most of the countries and are crucial to the region's development and economic growth. More information: http://www.ifc.org/ifcext/media.nsf/Content/Central_Asia_Feb08

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