

World Bank Announces US\$1 Billion Pledge to Africas Great Lakes Region, Targeting Energy, Roads, Agriculture, Cross-Border Trade, Health, and Jobs

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On the first day of an historic joint United Nations/World Bank Group mission to the Great Lakes region, the World Bank Group announced \$1 billion in proposed new funding to help countries in the region provide better health and education services, generate more cross-border trade, and fund hydroelectricity projects in support of the Great Lakes peace agreement that was signed by 11 countries in February. World Bank Group President Dr. Jim Yong Kim, who is traveling with the UN Secretary General, Ban Ki-moon, on a three-day trip to the Democratic Republic of Congo (DRC), Rwanda, and Uganda, said that a secure and developed Great Lakes region was vital to Africas efforts to dramatically reduce extreme poverty and create prosperity for millions who have had little economic opportunity. "We made extraordinary efforts to secure an additional \$1 billion in funding because we believe this can be a major contributor to a lasting peace in the Great Lakes region, Kim said. "This funding will help revitalize economic development, create jobs, and improve the lives of people who have suffered for far too long. Now the leaders of the Great Lakes region, by restarting economic activity and improving livelihoods in border areas, can boost confidence, build economies, and give new opportunities for millions of people. Kim said the new regional pledge, in zero-interest financing from the International Development Association* or IDA, will support two major regional development priorities: recovery of livelihoods to reduce the vulnerability of people living in the Great Lakes whose communities have suffered greatly during conflict in the region; and revitalizing and expanding cross-border economic activity to spur greater opportunity and integration in the areas of agriculture, energy, transport and regional trade. The World Banks proposed additional funding includes roughly \$100 million for supporting agriculture and rural livelihoods for internally displaced people and refugees in the region; \$340 million to support the 80 megawatt Rusumo Falls hydroelectric project for Burundi, Rwanda, and Tanzania; \$150 million for the rehabilitation of the Ruzizi I and II hydroelectric projects and financing for Ruzizi III, supplying electricity for Rwanda, Burundi, and DRC; \$165 million toward building roads in DRCs North and South Kivu and Province Orientale; \$180 million for improving infrastructure and border management along the Rwanda-DRC border; and additional millions of dollars for public health laboratories, fisheries, and trade facilitation programs among others. While other parts of sub-Saharan Africa are experiencing high growth rates, countries of the Great Lakes region have had extremely high levels of poverty and very low levels of key services such as access to electricity. Yields from agriculture also are typically quite low. A key part of the World Bank Groups development approach to the region is to increase power generation and interconnectivity to take advantage of low-cost and renewable sources of hydropower and geothermal energy. Developing the hydropower potential in DRC, in particular, will provide Burundi and Rwanda access to low-cost power and a stake in regional stability. Currently, there is no regional grid and very limited interconnectivity between countries in the region. In Kinshasa, UN Secretary-General, Ban Ki-moon, warmly welcomed the World Bank Group pledge. "Many countries in Africa are taking dynamic forward strides, and now the people of the Great Lakes region, especially the DRC, deserve their full chance for progress. A peace agreement must deliver a peace dividend. That is why Dr. Jim Kim and I are making this visit. We see a horizon of hope for the people of the Great Lakes, and we are determined to help them every step of the way, said the UN Secretary-General. Cross-border trade key to peace In announcing its new funding pledge, the World Bank Group said that promoting significantly more trade is in the common interest of all countries in the region and will greatly improve the effectiveness of national development policies. "Together with much more electricity for the Great Lakes, there will be very large economic pay-offs if we can all help to make border crossings easier and faster for people and their goods to move from one country into another, said Makhtar Diop, the World Banks Vice President for Africa, who is accompanying President Kim and the UN Secretary General on their fact-finding mission. "Africas potential to provide food for its citizens, however, is not yet being realized because farmers in areas like the Great Lakes face more trade barriers in getting their food to markets across the region than farmers anywhere else in the world, Diop said. "Too often borders get in the way of getting plentiful food supplies to homes and communities that are struggling with too little to eat. Improving roads will also help trade and peoples livelihoods In calling for a regional peace and development solution for the Great Lakes, the World Bank officials said the new financing pledge will help to rehabilitate roads to connect remote trading communities with regional markets. Bank support will focus on rehabilitation of primary cross-border trunk roads, to be complemented through the rehabilitation and opening of secondary roads required to bring goods to markets. The benefits of this approach are two-fold: first, increased trade will significantly increase economic activities, livelihoods and jobs; second, connectivity will allow free movement of people and goods, and enable restoration of the states regulatory functions. Within the DRC, the Bank Groups current roads project (Pro-Routes -US\$248 million) is having an important impact by contributing to the reopening of 2,176 km of roads in Province Orientale, South Kivu and Katanga. The economic impact of the rehabilitated sections has been significant, reducing transportation costs by as much as 80 percent in some cases and cutting travel time by more than half. Empirical evidence suggests that insecurity is decreasing in areas where roads have been rehabilitated. Renewed opportunity for peace in the Great Lakes Mary Robinson, the Special Envoy of the Great Lakes Region of Africa, who is also part of the fact-finding trip with Ban Ki-moon and Jim Yong Kim, endorsed the World Bank Groups new development commitment to the Great Lakes and its people. "There is a fresh chance to do more than just attend to the consequences of conflict, Robinson said. "There is a chance to resolve its underlying causes and to stop it for good. If this new attempt is to succeed where others have fallen short, there must be optimism and courage in place of cynicism. The governments and the people of this region, and the international community, must believe once again that peace can be achieved, and be determined to take the necessary and well-coordinated actions to obtain it." "The World Banks International Development Association (IDA), established in 1960, helps the worlds poorest countries by providing zero-interest development financing for projects and programs that boost economic growth, reduce poverty, and improve poor peoples lives. IDA is one of the largest sources of assistance for the worlds 81 poorest countries, 39 of which are in Africa. Resources from IDA bring positive change for 2.5 billion people living on less than \$2 a day. Since its inception, IDA has supported activities in 108 countries. Annual commitments have increased steadily and averaged about \$15 billion over the last three years, with about 50 percent of commitments going to Africa. The World Bank 1818 H Street, NW DC 20433 Washington
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