

MESSAGE FROM THE PRESIDENT

In beginning my tenure as President with the start of the new financial year, I am seeing at first hand the critical role that IFC plays within the World Bank Group and the unique and expanding contribution it makes to development, growth, and overcoming poverty. I am pleased to introduce a report that gives the fullest picture yet of the breadth and impact of this work.

Already I have seen up close how IFC's investments in Cambodia's ACLEDA Bank have helped microfinance reach many thousands of small-scale entrepreneurs, especially women and people in remote areas of the country. In Vietnam, I have seen a country moving closer to the ranks of middle-income economies, in part thanks to half a billion dollars invested by IFC and its partners in leading banks and companies like Khai Vy—a furniture manufacturer and exporter that is finding sustainable sources for its wood—as well as to IFC advice that supports the country's private sector. In Africa, IFC is backing innovative private financing for schools, women-owned businesses, and basic services. Wherever I look in our partner countries, I am impressed that IFC is a key catalyst for empowering private sector energy to drive development and offer opportunity.

By focusing on the private sector, IFC complements the other entities of the World Bank Group—IBRD, IDA, MIGA, and ICSID. IFC's talented and innovative staff enables us to offer a full range of products and services that help developing countries overcome poverty and improve the lives of their people. Through this comprehensive approach, the World Bank helps governments set policy and improve the investment climate, and IFC helps companies through advice and catalytic investments that create jobs, mobilize savings, and build skills.

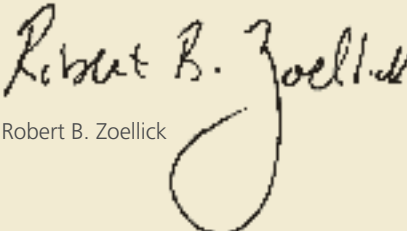
As the role of the private sector in generating and sustaining economic growth has become more widely recognized, IFC has been uniquely positioned to increase its role, given its global knowledge of industries, its more than 50 years of investment experience, and its steady decentralization of staff expertise to offices around the world. Working as part of the Bank Group, IFC can ensure that it invests and offers advice in ways that help the private sector broaden benefits to people and places that would not otherwise be reached.

This report shows how IFC works through joint departments and programs across the World Bank Group and in close cooperation with donors and other partners. The successful and respected *Doing Business* report offers a prime example. In infrastructure, financial services, energy, manufacturing, and agribusiness—to name a few industries among many—IFC offers solutions that help companies innovate, grow, and improve the sustainability of their operations and use of resources. IFC is also leading the way in measuring the results of its work, and this report details the findings for the first time.

Ultimately, the work of IFC—along with that of the other entities of the World Bank Group—is about linking markets and incentives with targeted private and public assistance to empower the poor in developing countries. With a little support, fathers and mothers can build better lives for their children, local entrepreneurs can mobilize savings to create jobs and hope, and governments can establish the conditions and foundations for participating in inclusive and sustainable globalization.

I have greatly enjoyed meeting the highly motivated, dynamic, and creative staff of IFC. It seems that in every meeting they bring a new idea to better accomplish our mission. I certainly look forward to working closely with them so as to ensure that we leverage the private sector to bring a better life to people in the countries we serve.




Robert B. Zoellick