

PRESS RELEASE

# World Bank/IMF Annual Meetings 2013: Development Committee Communique

October 12, 2013

1. The Development Committee met today, October 12, 2013, in Washington DC.
2. Latest signs of recovery among developed economies, encouraging as they are, remain uneven, and the growth of some emerging economies is slowing. Addressing increased volatility and achieving strong, balanced, and sustainable global growth, will continue to require appropriate policy responses and reforms in countries of all income levels. The World Bank Group (WBG) and the International Monetary Fund (IMF) must remain vigilant to the emergence of new sources of volatility and downside risks. We welcome the intensified focus of the IMF on growth and job creation, as well as on the analysis of risks and vulnerabilities and the assessment of the global impact of policy changes in systemically important countries. Safeguarding and further building on the openness and fairness of the international trading system remains vital to global growth and in this context we look forward to progress at the World Trade Organization's upcoming Bali Ministerial Conference.
3. Tremendous progress over the last two decades has reshaped the development landscape. It has created new opportunities to help reduce poverty and promote shared prosperity, but it has also introduced new risks to sustaining progress. Although the global poverty rate has fallen by half since 1990, progress within the developing world has been highly uneven. Roughly half of the low income countries are classified as Fragile and Conflict-Affected Situations (FCS), which pose particular challenges and are home to a growing share of the world's extreme poor.
4. In many developing countries, growth has been accompanied by rising inequality. Transitioning to middle-income status does not signal the end of poverty, as the majority of the world's poor still live in middle income countries. A lack of sustained progress in building shared prosperity may eventually obstruct growth by causing instability, distorting incentives and reducing upward mobility. Job creation, especially for youth and women, and private sector development are key for inclusive growth.
5. The two ambitious goals for the WBG, to end extreme poverty by 2030 and promote shared prosperity in an environmentally, socially and economically sustainable manner, endorsed at our last meeting, offer an important contribution to the post 2015-agenda. In order to achieve the goals, we strongly endorse the new WBG Strategy. We welcome the repositioning of the institution as "One World Bank Group" that works with the public and private sectors in

partnership, contributes to the global development agenda through dialogue and action, supports clients in delivering customized development solutions, and helps advance knowledge about what works in development.

6. The WBG has an important role to play in delivering global development results, supporting countries with their specific development challenges, and helping them eradicate poverty and build resilience to future financial, economic, social, and environmental challenges. We stress the need for a continued strong client orientation that recognizes the diversity and development needs of countries. Special attention must be paid to countries and regions with the highest incidence of poverty, to FCS, as well as to the unique challenges facing small states. We also reaffirm the crucial role of the WBG in helping the international community address major global challenges, including climate change. To achieve maximum impact, the WBG needs to be selective in its efforts, while collaborating with partner organizations and the private sector at both national and global levels, and facilitating south-south cooperation and regional integration in pursuit of its goals.

7. Success of the Strategy requires effective, timely, and well-managed implementation, including clear sequencing of reforms and specific metrics for major changes, as well as regular communication with WBG stakeholders. An evidence-based, country engagement model; supportive reforms to the WBG's internal organization, systems, processes and procedures; human resources and leadership management in promoting and modeling the needed culture change will be crucial. We call on the WBG to continue delivering on its mandate during the transition period and to refine its monitoring and evaluation framework to measure progress and assess performance, adjust actions and show results to better satisfy clients' needs. An updated Corporate Scorecard reflecting the new Strategy should be in place by our next Spring Meetings.

8. A robust IDA 17 replenishment, with strong participation from all members, is fundamental for delivering on the WBG Strategy. Needs and demands among IDA countries remain high, and we must seek replenishment with the scale, quality and policy content that will allow IDA to achieve substantial results.

9. We welcome measures to utilize existing resources better and strengthen the WBG's financial capacity to align it with the ambition of its strategy. We call on the WBG to pursue a finance work program that envisages lifting the growth trend of revenues, resetting expenditures to a leaner cost base by improving organizational and operational efficiencies, and better mobilizing internal and external resources to enhance the WBG's capacity to deliver more development assistance while paying due attention to risk. We welcome the WBG work on innovative approaches to mobilize and catalyze additional long term financing for infrastructure, which is critical for growth, prosperity and poverty reduction in emerging and low income countries.

10. We emphasize the importance of further mainstreaming and strengthening WBG support for gender equality through better analysis, targeted actions, and more robust monitoring and evaluation. Gender equality is important, both in its own right and also as a means of pursuing the overarching goals for poverty reduction and shared prosperity. We welcome continuing work on updating and renewing the WBG's strategy for promoting gender equality and look forward to a progress report in a year.

11. We commend the WBG and its staff for their initiatives in fragile situations like the Great Lakes and the Sahel Region and for their work with refugees in the Middle East. We also welcome the WBG's strengthened support to Myanmar after its reengagement. We call on the WBG to deepen further its commitment in the Sahel and the Horn of Africa through initiatives that, in coordination with the UN system, address vulnerability and resilience, and promote economic opportunity and integration. We welcome renewed WBG support to transformative regional projects, including for sustainable and affordable energy solutions. We urge the WBG and IMF to scale up their efforts in the Middle East and North Africa region, including support for sound economic reform, job creation, capacity-building programs, and the basic human needs of conflict affected people as well as mitigation of the impact on neighboring countries.

12. The next meeting of the Development Committee is scheduled for April 12, 2014, in Washington DC..