Statement by

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United States
This marks the eighth meeting of the Development Committee since President Obama took office in 2009. The past four years have seen a record of results for all of us, as partners in the World Bank.

At the urging of G-20 Leaders in 2009, the World Bank and other Multilateral Development Banks (MDBs) responded aggressively to the worst financial crisis since the Great Depression. The MDBs led a crisis response effort that quickly and effectively mobilized more than $222 billion to insulate the world’s poorest from the full impact of the crisis.

As shareholders, we responded in kind with an unprecedented series of commitments that helps to ensure the capital adequacy of the MDBs. In the United States, we worked with Congress to create bipartisan support for a capital increase of nearly $90 billion to the International Bank for Reconstruction and Development (IBRD), of which the U.S. share was more than $14 billion, and a total recapitalization of over $300 billion for all the MDBs. We also supported a robust International Development Association (IDA) replenishment—because of the importance of these programs that lift the lives of the poorest.

We have made strides in improving voice and vote for dynamic emerging economies, commensurate with their role in the global economy. We have seen significant improvements in the World Bank’s operational strategy— including a renewed focus on staff performance, budgetary restraint, and results.

This is a strong record, to build on – not to rest on.

**Supporting job growth through private sector development**

In today’s rapidly changing development landscape, the World Bank must continue to build momentum for both economic and social gains for poor communities. We are seeing high growth rates and strong private investment flows in countries and regions that previously seemed locked into perpetually low growth and aid dependency. For example, in Africa this year, the volume of foreign direct investment and remittances will outpace official development assistance by more than two to one. The fastest growing countries in Africa have growth rates that are triple those in developed countries.
But as countries enjoy rapid economic successes and massive private capital flows, these advances are often accompanied by growing inequality. A greater leveraging of the World Bank’s capital and expertise can help lay the foundations for sustained and more inclusive growth. Inclusive growth helps to improve standards of living for all citizens, like in Ghana which is projected to have a real GDP growth rate of more than 8 percent this year, while also being on track to achieve the Millennium Development Goal of reducing by half the proportion of people living in extreme poverty by 2015.

The World Bank can play a catalytic role in enabling private funds to flow while also fostering inclusive growth. Through advice and incentives, the World Bank can promote policy reforms that facilitate private sector development. Take the IFC’s Doing Business report; all of us, borrowers and non-borrowers alike, benefit from the annual assessments provided by Doing Business. Leaders and Ministers in countries like Cape Verde, Malawi, and Georgia consistently point to their Doing Business ranking as a motivating factor for driving ambitious reform efforts in challenging areas like anti-corruption and rule of law. We in the U.S. benefit from this regular “check-up” on the health of our investment environment. Fragile states also benefit from the opportunity to publicize their achievements, such as Sierra Leone, one of this year’s “top reformers” due to its sound fiscal and monetary policies and anti-corruption and governance reforms.

**Addressing persistent challenges in fragile states**

As the World Bank seeks to build on the successes in a growing number of countries, it must also manage the persistent challenges facing fragile and post-conflict states. Fragile states will compose an increasing share of IDA’s portfolio as better performing IDA clients access IBRD terms. Mechanisms must be in place for identifying, scaling, and replicating successful projects—a dynamic results-orientation with rapid feedback loops—so that IDA resources can be most effectively used. In addition, the Bank needs incentives to attract talented staff to work in fragile states.

The World Bank’s focus on fragile states will include places like South Sudan and Sudan, which recently reached a historic agreement on oil, border security, and other economic issues. Swift and comprehensive implementation of these agreements by both parties with support from the World Bank will help boost growth and stability in South Sudan and Sudan. And, an increase in oil revenues for both countries will provide resources that these countries can invest in their recovery from decades of conflict.

**Advancing gender equality**

In fragile and post-conflict states, where women and children often suffer disproportionately, the World Bank’s overall approach of incorporating gender issues across projects is especially critical. Eliminating gender-based violence, enhancing voice and participation of women and girls, as well as increasing their economic and social empowerment are key issues in the fragile state context.

More broadly, since the 2012 World Development Report on Gender Equality and Development, there has been progress across the World Bank group in scaling-up the number of projects that better assess their impact of women and girls. We look forward to seeing further progress as the World Bank carries forward this critical agenda in the year ahead.

**A new partnership with middle income countries**

Today, more of the world’s poor reside in creditworthy countries with high growth rates than in so-called “poor” countries. To bolster more inclusive growth, the World Bank should lay out a new partnership with Middle Income Countries (MICs)—one which seeks to be an effective partner in meeting key development goals. The MICs themselves should be leading voices in shaping this partnership. We call
on the World Bank to work with these countries to consider new modes of engagement, including through alternative forms of financing instruments and targeted analytical support and technical assistance.

**Aiding transitions in the Middle East and North Africa**

We have called on the World Bank, in partnership with other development institutions, to bring its substantial resources and expertise to bear in a new way to support the aspirations of the transitioning countries in the Middle East and North Africa (MENA). This year’s World Development Report on Jobs highlights the urgent imperative for jobs in the MENA region. We have an unprecedented opportunity to anchor these historic political transitions with an economic foundation that secures inclusive growth – a critical part of fostering stability in the region. To further this goal, the Deauville Partnership with Arab Countries in Transition launched a Transition Fund that will provide grant-based assistance to strengthen institutions and enhance access to capital markets. We urge other Bank shareholders and partners to join us in support of this innovative new fund.

**Addressing global challenges**

The global challenge of food insecurity, which reemerged dramatically in 2008, also tested the World Bank’s ability to move quickly, aggressively, and effectively. Again, we look to the World Bank to provide the resources and expertise, in partnership with its client countries, to focus on the fundamentals that can make agriculture a source of economic strength and social progress.

The work of the MDBs on this agenda has been invigorated through the establishment of the Global Agriculture and Food Security Program (GAFSP). The program is already delivering results on the ground. In Sierra Leone, for example, GAFSP financing has underwritten the delivery of improved extension services to farmers to help them boost yields in key staple crops. GAFSP financing is also being used to rehabilitate irrigation on 500 hectares of inland swamps, which will increase Sierra Leone’s rice production. With effective leadership from the World Bank, GAFSP is poised to expand its innovative model to the next generation of partner countries, which is why we have committed $1 for every $2 committed by other donors, up to a total U.S. contribution of $475 million, to strengthen GAFSP. We call on other donors to join us in reinvesting in GAFSP.

The World Bank has an important role to play in tackling global environmental challenges like biodiversity and climate change, which will have a long-term impact on core development objectives such as food security.

Through the World Bank’s leadership as trustee of the Climate Investment Funds (CIFs), the World Bank and other MDBs are helping growing economies like Mexico and Kenya deploy advanced renewable technologies which are critical for low carbon development. In addition, the CIFs are helping countries like Bangladesh and Niger become more climate resilient.

**Promoting good governance**

The World Bank continues to be the premier global development institution. The World Bank should more cost effectively use its resources to leverage its financing and advance strategic priorities to meet the needs of strong performers, reformers, and fragile states.

Through the upcoming reviews of the World Bank’s safeguards and procurement rules, the Bank has the opportunity to demonstrate that strong protections and standards can be maintained without sacrificing development outcomes or timely and effective delivery to borrowers.
Finally, the World Bank must be more systematic and rigorous in assessing its impact and supporting evidence-based programs. The World Bank will need to understand how to learn from failure, by using data early on to identify and react to problems before they become overwhelming; by better assessing what works, what does not, and why failure occurred. As a “Solutions Bank,” the World Bank should seek to advance the frontier of development expertise by sharing lessons learned in achieving results in a cutting edge, user-friendly fashion.

Under President Kim, the World Bank is bringing new passion and rigor to answering the fundamental question of “what works?” We are confident we will see even stronger impact from the World Bank’s work in the years ahead.