Statement by

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On behalf of Afghanistan, Algeria, Ghana, the Islamic Republic of Iran, the Kingdom of Morocco, Pakistan, and Tunisia
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First, on behalf of my constituency, I would like to thank the Development Committee for having included on the agenda for our 82nd meeting the topics that are of major interest for our countries in the post-crisis context, namely (i) the resiliency of the developing countries in dealing with the global economic and financial crisis; (ii) the role of IDA in improving performance as regards development; and (iii) the continuance of internal reforms within the World Bank.

1. International economic climate: recovery subject to risks

This meeting of the Development Committee occurs at a time when the international economic environment is characterized by resumed growth, exceeding 5 percent in the first half of 2010. Recent macroeconomic developments confirm the prognosis for a recovery that remains modest in most advanced countries, but that is vigorous in the emerging economies.

According to IMF forecasts, global growth is expected to rise to 4.8 percent in 2010 and then decline slightly to 4.2 percent in 2011. This growth will be driven primarily by the emerging and developing countries, in which GDP will expand by 7.1 percent in 2010 and 6.4 percent in 2011, as against only 2.7 percent and 2.2 percent, respectively, for the advanced economies.

This situation bears witness first to the resiliency of the emerging countries’ economies, then to their capacity to address the international crisis, and also to the leading role these countries now play as engines of global growth.

These forecasts, however, should not obscure the fragility of the recovery, which is still subject to risks that threaten the economies of the developed countries in particular.

The first risk component is the crisis in government finance, in particular the sharp increase in the public debt of the developed countries, especially within the euro zone. Public deficits have reached sizable proportions and have heightened concerns with respect to sovereign risks and their negative impacts on the stability of financial systems and on investor confidence.

The second risk component is the limited impact of the recovery on job creation. In this regard, the International Labour Office notes that since the beginning of the crisis, some 30 million individuals have lost their jobs and that ever rising numbers of young people are experiencing problems entering the labor market. In our view, job creation should thus be a priority in post-crisis economic policies.

We are fully aware of the fact that the advanced countries have an important role to play in promoting growth, and deem it necessary to continue the recovery measures taken so long as growth has yet to be
solidly established. Pulling back from support measures and from launching fiscal adjustment measures should occur gradually so as not to undercut the gains made in the recovery.

2. **Resiliency of the developing countries in the crisis**

We salute the resiliency shown by the economies of the developing countries as well as the efforts made by them to counter the effects of the crisis. Our countries have shown a great capacity for addressing this crisis and attenuating its consequences, making sound use of the room for maneuver within public finances in order to introduce measures to bolster domestic demand and public investment, in conjunction with strong commitment in favor of the social sectors.

This resiliency is principally the result of the various reforms and prudent macroeconomic policies adopted in the period preceding the crisis. The efforts made by all donors and lenders, in particular in the context of debt relief initiatives for the low-income countries, further contributed to strengthening these countries’ resiliency.

We wish to note our pleasure at the commitment of the World Bank and IMF to developing countries, as demonstrated by the increase in their commitments and the diversification of the instruments at their disposal to better respond to the needs of these countries and help them cope with the effects of the crisis.

Despite these encouraging results, we must remain vigilant given the fact that the crisis has undercut some of the gains made in terms of human development. We see a need to continue the efforts to assist the developing countries with improving their human development indicators, given that, as a result of the crisis, millions of additional persons will be living in destitution.

In this context, we are of the view that our Bank has a panoply of strengths that will enable it to fully exercise its proper role in respect of its member countries, helping them to meet the challenges of the post-crisis period by making available additional financing and expertise, especially since our institution will now have greater resources at its disposal owing to both the general and selective capital increases.

For their part, the developing countries are called upon to continue their reform efforts, in particular as regards improving the business climate and liberalizing trade, as well as mobilizing domestic resources to promote growth and job creation. They also need to diversify their markets and, thereby, take full advantage of the opportunities offered by markets with greater potential, especially those of the emerging countries, the engines of growth for the future.

3. **The role of IDA in improving development outcomes**

We salute IDA’s commitment to the less developed countries that lack access to financing on market terms. IDA’s involvement in sectors as important as education, health, and basic infrastructure has amounted to some US$22 billion since the crisis began.

Specifically, IDA has contributed significantly to the effort to identify solutions to questions of great concern to the international community, namely the gender issue, the question of countries at severe risk, climate change, and measures aimed at dampening the effects of the crisis. There is no question that IDA’s commitment in all these areas is making it possible to make significant progress, the effects of which are clear in the daily life of all.

The very mission of IDA places it in a high-risk environment where the progress made depends on improved working methods, in particular through the adoption of a performance-based approach to the projects it finances.
We are pleased by the reforms undertaken by this institution, with the combined effect of the increase in its resources, its cost controls, and its budget control efforts, as well as the improved efficiency and effectiveness of its activities.

Nevertheless, the growing needs of the less developed countries and the need to do catch-up work to achieve the Millennium Development Goals (MDGs) call for additional efforts on the part of donor countries in order to give even greater strength to the IDA-16 replenishment.

Moreover, it is our belief that IDA efforts in the years ahead should be focused on institutional capacity-building efforts in member countries, especially those that are the most fragile or emerging from conflicts, so as to introduce lasting structures able to take command of the development process in such countries.

We further salute the commitment of the international community to achieving the MDGs for 2015. In this regard, further efforts must be made to speed the pace of moving toward these goals, in particular those relating to halving poverty worldwide. Achieving this aim would mean redoubling efforts and providing financial resources, as well as strengthening cooperation among all development partners.

In this regard, we salute the announcement made on September 22, 2010, at the United Nations Summit on the MDGs, concerning the mobilization of US$40 billion to improve the health of women and children throughout the world. Such an initiative would make it possible to save millions of lives, in particular in the poor countries.

4. Governance and internal reforms at the Bank

We welcome the efforts made by the Bank over the last several years aimed at improving its performance and ensuring greater transparency within its structures. Such reforms, and particularly the introduction of a performance assessment step in every Bank activity, will surely enable our institution to adapt to the changes in the global economy and to focus on its primary missions of development and combating poverty.

Along these lines, we are pleased by the efforts made in reforming voting and participation, moving toward an equitable distribution of voting power and greater representation of the developing countries and economies in transition in the decision-making power within the various bodies of the World Bank Group, thereby enhancing legitimacy and representativeness within our Bank.

We equally support the measures aimed at enhancing the Bank’s financial capacity, in particular through general and selective capital increases. In our view, the Bank now, with its bolstered resources, will become ever more active in favor of the developing countries and in support of growth and employment in those countries.

The performance-based approach, improvement of the Bank’s financial products, and the measures relating to proximity, through the decentralization of missions and the delegation of authority, are all steps that will have a positive impact on the Bank’s activities aimed at promoting development throughout the world, by improving its reaction capabilities, effectiveness, and its proximity and presence on the ground.

I could not conclude without noting that the elimination of the constraints on the financial capacity of our institution will now make it possible not only to work even more on promoting the economic development of the developing countries, but also to work effectively toward enhancing the resiliency of national economies to domestic and external shocks.