Statement by

Rt. Hon. Andrew Mitchell, MP
Secretary of State for International Development

and

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When World Bank Group (WBG) Governors met in the Spring, we discussed volatile food prices and their impact on the poor. In Autumn 2011, we are faced with the devastating crisis in the Horn of Africa and a very uncertain global economic environment – challenges that require the international community to cooperate closely.

There are multiple demands on the WBG. It has a key role to play in responding to the immediate challenges of economic turbulence and a humanitarian crisis. But also, there has never been a more critical time for the WBG to put girls and women at the heart of our efforts to reduce poverty and build politically and economically stable states.

Key Challenges

1. **Global economic outlook**

The outlook for the global economy is more uncertain than at any time since 2008. Financial markets are in a state of heightened volatility and many countries’ finances are under severe stress. How this turbulence will impact on low income countries and the poorest people is as yet unclear. Much depends on levels of trade and trade finance, commodity prices and investment flows. The direction of travel of these factors remains uncertain. But as in 2009, the capacity, speed and policies of the International Financial Institutions will be fundamental to protect the poorest countries and people from the slowdown in global growth.

Economic turbulence also highlights the importance of the WBG’s commitment to helping low income countries respond to crises. IDA16 created a Crisis Response Window to provide additional assistance to IDA countries to withstand financial and natural shocks. We support its rapid deployment in the Horn.

In the Spring, we celebrated a highly successful IDA 16 replenishment. We must now ensure that we all meet our commitments and make timely contributions.

The UK recognises the continued efforts of the WBG to support developing countries through economic uncertainty. The WBG will need strong support from Governors to continue to respond flexibly and with agility. The IMF’s continued focus on the needs of the poorest countries will also be critical. The UK welcomes this opportunity to reaffirm our support for the WBG and the Fund in providing this assistance.

2. **Humanitarian Crisis**

Over 13 million people are in need of urgent humanitarian assistance in the Horn of Africa. The devastation, the misery of the people who have fled to Mogadishu, and the mass suffering of those in the camps of Kenya is a challenge to which we must all respond now. The speed and quality of the response is a real test of our humanity and resolve.

The international community has the opportunity to save countless lives. But the UN appeal for international help in the region still needs US$ 700 million. As donors we must pledge all the support we can and ensure that our pledges are delivered. The UK government has committed £124 million ($192
million) for the immediate crisis response, which is already providing basic supplies to people in refugee camps.

Events in the Horn are a stark example of what can happen when natural shocks hit fragile and failed states. When we met in the Spring, we welcomed the *World Development Report on Conflict, Security and Development* as a call to action for the WBG and others to improve performance in fragile states. I am pleased to note that the WBG has already made progress in implementing the recommendations of this World Development Report, in particular the establishment of the Global Centre for Conflict, Security and Development in Nairobi. We recognise that this agenda is work in progress and will require sustained support from Governors.

3. Delivering for girls and women

The UK is very pleased that this year’s *World Development Report on Gender Equality and Development* and welcomes the Development Committee focus on the important task of delivering concrete results for girls and women. Girls and women bear a disproportionate burden of poverty, but by investing in them we can tackle poverty at its root and build resilience to crises. Girls can transform their own lives and that of their families, communities and economies.

We commend President Zoellick for his public commitment to gender equality. The UK has been an untiring supporter of the Bank’s work on girls and women. In welcoming year’s World Development Report, we call upon the whole WBG to demonstrate its leadership in this area and make delivering for girls and women a prominent and permanent feature of its operations and results.

The UK’s Department for International Development (DFID) is putting results for girls and women at the centre of everything it does. Over the next five years the UK will support over 4.5 million girls in primary education, help over 18 million women to access financial services, and enable over 10 million women to access justice services. All development agencies need to show strong leadership and public commitment and establish incentives for staff to deliver more for girls and women.

The WBG will need similar solutions tailored to its needs. It should start by ensuring timely achievement of IDA 16’s gender targets; expanding analysis of country gender inequalities to generate strong demand for programmes for girls and women; increasing the availability of data and evidence; and forging strong, effective global partnerships, especially with UN Women and other UN agencies.

4. Reform priorities

The UK is pleased to also note the first WBG corporate scorecard. We welcome it as a signal that the WBG is strongly focused on results and increasing its transparency. We look forward to the evolution of the scorecard into a tool that drives results and accountability and allows Governors to hold management to account, particularly for delivering for girls and women.

The UK is pleased to note that the pace of reforms at the WBG has not slackened. We welcome the recent reorganisation at senior management level, noting how it shows the WBG is giving greater focus to managing for results, implementing the Post Crisis Directions strategy, and giving a renewed impetus on human resources reform.

The UK looks forward to the introduction of the WBG’s new lending instrument – Performance for Results (P4R) – as a means for the WBG to respond more effectively to changing development needs and demands from client countries.
5. Looking forward to the 2013 World Development Report on Jobs

The UK strongly supports the focus of the next World Development Report on jobs and job creation. Developing countries need to increase employment by nearly 50 million jobs per year just keep pace with population growth, with China and India requiring 8–10 million jobs each year, and countries in the Middle East needing to respond to high rates of youth unemployment.

A strong World Development Report is needed. It should deliver practical options for low income and fragile countries to develop the private sector and jobs, and enhanced labour market opportunities for girls and women. The role of the entire the WBG – IBRD, IDA, IFC, MIGA and ICSID – will be critical and we call on the WBG to be ambitious and innovative in its approach to this work.

Looking forward

We are pleased the WBG is also focused on climate change at these Annual Meetings. The WBG, working with the Regional Development Banks, has an important role within the international architecture on tackling climate change. Governors can support that role by ensuring the WBG is a model of strong delivery and ambition. Securing agreement on the WBG’s energy strategy in the next few months will also help cement its leadership role.