Statement by

Rt. Hon. Justine Greening, MP
Secretary of State for International Development

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We welcome President Kim to his first Annual Meetings as President of the World Bank Group. We commend the President’s commitment to focus his strategic vision on how the World Bank Group (WBG) can further enhance its impact on poverty reduction, inclusive growth and sustainable development. The UK strongly supports the President’s renewed focus and determination to eradicate poverty in the coming decade, especially as we move towards the 2015 Millennium Development Goals (MDGs) deadline and start are thinking about how we frame the future agenda. We welcome the redoubling of efforts to improve the effectiveness of the World Bank Group, so that it can better support clients.

Global Economic Outlook

The global economic recovery remains fragile. The continued deleveraging process, tight credit conditions and policy uncertainty have all weighed on growth in the advanced economies. Economic activity in the emerging market and developing economies has also slowed reflecting both domestic and external factors. The IMF forecast is for slow and fragile global growth, with triple risks to the recovery - continued instability in the Euro Area, the US fiscal cliff and slowing in emerging markets. Recent action by central banks has created more accommodative financing conditions but the need for fundamental structural reform remains.

The UK commends the continued efforts of the WBG and IMF to support developing countries through economic uncertainty in a flexible and agile way. It is important the WBG and Fund remain vigilant to the implications of this economic outlook for their member countries, and monitors closely the potential impact of rising food prices for net food importing countries.

World Bank Reform

To deliver the President’s ambitious agenda in this increasingly complex world, the pace of internal reforms must be maintained. The WBG needs to become more results orientated and focus more on value for money. The UK strongly supports the focus on transforming knowledge into solutions. Better integration is essential to ensure that the WBG delivers more than the sum of its parts and can respond nimbly to client’s needs. We endorse the President’s commitment to accelerate progress in integrating corporate and operation functions across the WBG, where this can deliver higher impact and greater efficiencies. We note the ongoing work on HR Reform and look forward to seeing the results of this translate into ensuring the WBG has the right people, with the right skills, in the right place at the right times.

The UK is pleased to note the Corporate Scorecard (CSC) update. We welcome that a year after its launch the CSC is beginning to provide the much needed line of sight between what the World Bank does and the results it achieves. The UK views this tool as key to driving results and accountability through the organization and allowing the Governors to hold the institution to account. We welcome how the tool has
evolved over the year and in particular the additional indicators which will help increase focus on women’s economic empowerment, and disaster resilience – two key themes for the annual meetings.

**World Development Report 2012 - Jobs**

We welcome the WBG’s “World Development Report” (WDR) on jobs, the clear message that jobs are critical to economic and social development and the many important lessons for policy makers. We agree that job creation for women and men is vital and urgent, in particular through the expansion of a vibrant private sector. We also recognise that effective strategies are complex and must be tailored to specific country contexts.

The UK is playing its part on this agenda. Through our development assistance we will create jobs and income generating opportunities for 10m people over the next seven years. For example the UK is supporting the Katalyst project in Bangladesh which has worked with 900,000 farmers and rural small businesses, contributing to an income increase of $100m for these enterprises. DFID is working with the World Bank in Nigeria, aiming to create at least 100,000 jobs by developing markets such as meat & leather, and construction. Overall we plan to raise the incomes of 600,000 people in Nigeria over 4 years, including at least 250,000 women.

We endorse the recommendations for the WBG set out in the accompanying implications note. While we support the provision of improved data and diagnostics, we also urge the WBG to rapidly integrate scaled-up assistance on jobs into its operations. We look forward to hearing more about how the lessons of the WDR are being operationalised within the WBG over the coming year.

**Resilience and Climate Risk Management**

Effective disaster risk management is critical to the protection of development gains, particularly affecting vulnerable and fragile countries, as well as vulnerable people. We strongly welcome the WBG's Sendai Report, its clear articulation of how disaster risk management can be cost effective for governments, and how it should be integrated into WBG activities, as well as those of donors. We endorse the recommendations for the WBG and look forward to reviewing its implementation in a year.

The UK recognizes that disaster risk management critical, but recommends that alongside all the technical solutions, the WBG think more about the role of political economy in providing resilience. The UK is working with others to raise the importance of this agenda through the Political Champions Working Group.

The High Level Ministerial Dialogue on Sustainable Development, building on the momentum created by this summer's Rio +20 conference, reinforces the importance of meeting the challenge of promoting inclusive, sustainable growth to support poverty reduction. We welcome the opportunity to learn lessons from across the world on issues of sustainable development, including financial tools and natural capital account

**Delivering for Girls and Women**

We welcome the significant progress made since the launch of the World Development Report on Gender Equality. Girls and Women continue to bear a disproportionate burden of poverty and by investing in them we can tackle poverty at its root and build resilience to crises. The UK is pleased that the energy behind this agenda continues to be high and that significant effort has gone into mainstreaming gender across the whole WBG. The increase in gender informed lending from 54-83% between FY10 and FY12
is a big success. We also welcome the Gender Data Portal launched by the President in July this year. Data is vital to helping move these efforts from monitoring to evaluation of impact.

We note from the CSC that there has been accelerated progress on gender but that it has been unequal across the WBG. We therefore support the focus in in the coming year on scaling up efforts in sectors and countries that are currently lagging. It is essential that in all WBG policies and strategies gender continues to be prioritized. The work on resilience and jobs highlights to us again the importance of applying this lens – in both instances it is women and other socially excluded and vulnerable groups who are disadvantaged most. The UK strongly support the better equipping all Staff with the skills needed to do this. We also strongly encourage the WBG to continue to strengthen partnership efforts with Clients and partners on this agenda. We encourage the WBG to explore options for further and closer collaboration with the UN. Gender equality makes good business sense and this must permeate the work of the WBG in all sectors and regions. We look forward to reviewing progress next year.

IDA

The UK is looking forward to the Mid Term Review next month. This is an opportunity to hear the evidence of progress to date and to consider proposals for increasing IDA’s impact both now and for IDA 17. The UK is committed to supporting IDA to be as effective, poverty focused and cost effective as possible.