Statement by

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

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Chancellor of the Exchequer

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87th Meeting of the Development Committee

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Economic Context

Much of our discussion at these Meetings has focused on the unsettled economic climate. Strong leadership has steered the Bank through the financial storms and has prepared it well for future bad weather. The World Bank Group (WBG) was at the forefront in responding to the financial crisis, by significantly increasing lending to support both middle-income and poor countries. However, continued economic uncertainty still threatens growth and poverty reduction in many regions and we should remain vigilant to those risks. At the same time strong growth in low income countries in the last decade has been impressive and now means many of the Bank’s clients are more resilient and prosperous than ever before.

World Bank vision

The context of continued strong growth and economic transformation in many developing countries provides an excellent opportunity for the reforms management is proposing. In many ways this is the perfect moment for reform and the WBG is rightly and bravely looking at its business model and objectives. The UK wholeheartedly commends the work set out so far and the stretching goals proposed.

The first goal of eliminating extreme poverty is ambitious, but rightly the priority of the WB. The overwhelming evidence is that for many poor countries it has not been the wrong sort of growth, but the lack of sustained and uninterrupted growth that has stunted development. The WBG will need to focus on economic development through the private sector, and the most difficult challenges in the most difficult (and often fragile) contexts. President Kim is a strong advocate of the role that the private sector must play if we are to achieve these ambitious objectives on poverty and shared prosperity. He also recognizes the key role of trade in any long-term development strategy. The IFC’s work within the Bank Group will move increasingly centre stage and the Bank will focus on mobilisation of private sector funds, alongside its own activities.

The UK also welcomes the WBG’s focus on its second goal of shared prosperity, and on embedding sustainability in all its activities. The Bank’s role in promoting transparent and effective governance is key and we believe the Common Vision for the WBG highlights many of the broad range of policies that will be needed to deliver on this important agenda.
Gender

While significant progress has been made for girls and women there is still much unfinished business. More girls are now going to school; women are living longer, having fewer children and participating in the labour market more. But worldwide, more than 32 million girls of primary school age are still out of school and a further 34 million adolescent girls across the globe don’t have access to secondary education. Every year over a third of a million women die in pregnancy and childbirth. Women make up just 19% of parliamentarians; they perform 66% of the world’s work - but earn only 10% of the income, and own less than 10% of the world’s property.

We welcome the progress made by the Bank to date and in particular the significant increase in the share of gender informed lending. Momentum must be maintained however and we must collectively raise our ambition in order to deliver more and better results for girls and women. In this vein, we would like to see gender analysis and disaggregated results reporting be undertaken for all operation and an increase in the Banks engagement on voice and agency as outlined in the WDR.

Climate change and the Environment

As President Kim has emphasised, tackling the challenges of climate change and managing the environment in a sustainable and responsible way are key to securing a viable and prosperous future for the world today and for our future generations. We all depend on and are responsible for maintaining a healthy environment, but it’s the world’s poorest people and the world’s poorest countries – those who have contributed the least to greenhouse gas emissions - that have most to lose from climate change. Climate change will hit the world’s poorest people first and hardest - as we see so clearly around the world today - with droughts, floods and famines set to increase in frequency and intensity in the coming years. The numbers of people at risk of hunger as a result of climate change are projected to increase by between 5% and 20% by 2050, while in Sub-Saharan Africa, 10 million more children are expected to suffer from malnutrition.

We therefore urge the WBG to demonstrate strong leadership and coordination in international efforts to tackle climate change, and to make ‘game-changing’ interventions to address the significant threats posed by climate change to the progress we have already made towards the MDGs and to the prospects for “finishing the job” of eliminating extreme poverty.

Fragile States, conflict and crises

Humanitarian and security crisis will also require significant continued engagement. The World Bank has done much to enhance its work in fragile contexts which we welcome. The challenges are not going to lessen and effective delivery in fragile states has to be core to the future business model of the Bank. The Sahel region, Mali and Somalia for example, will all require specific attention in the coming months. The World Bank is well placed to be a key player in helping these regions emerge from crisis and build sustainable institutions.