Statement by

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On behalf of Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Kingdom of Spain, and República Bolivariana de Venezuela
Global Economic Context

Almost five years have passed since the beginning of the global financial crisis, and there are some signs of normalization in economic conditions, although experience has taught us to remain vigilant. At the same time, if we adopt a longer term perspective, progress in terms of development has been more encouraging. In the past twenty years, developing economies have grown at rates that have resulted in sizable reductions of poverty, and in particular, the least industrialized countries have seen a major improvement in their economic performance since the 90’s.

Still, in spite of achievements much remains to be done. With less than 1000 days until the deadline to achieve the MDGs, only 4 of the 21 MDG targets or subtargets have been met worldwide, and many development challenges remain. Development needs are as vast as ever, and the World Bank has a major role to play in helping countries to address those challenges. In this sense we believe the elements presented in the document “A common vision for the World Bank Group” constitute a good basis for the Bank’s work going forward.

World Bank Mission, Goals and Indicators

We welcome the anchoring of the World Bank Group mission of ending extreme poverty and promoting shared prosperity around ambitious but achievable goals. We can endorse the proposed articulation of the goals that will help the Bank focus its attention and being more selective. Furthermore, we believe those goals should feed in and help to shape the overall post-MDGs agenda.

We concur with the President on that ending extreme poverty is a moral imperative and that we need to be ambitious when setting our targets. In that sense we endorse the proposed global target of reducing extreme poverty to 3% by 2030. We support establishing a global target that emphasizes that we care for the poor wherever they are, including middle income countries, which are home right now to most of the people living with less than 1.25 dollars a day. At the same time, the work of the World Bank Group should be equally ambitious in low income countries, particularly in fragile and conflict affected situations where the challenges are greater.

We also endorse the goal on shared prosperity. We expect that the increased attention to the income of the bottom forty percent of the population will shape the dialogue of the WBG and its client countries, and pave the way for strategies centered on high and inclusive growth. In addition, the emphasis on
social inclusion will also promote stability and thus sustainability of transition to higher development levels.

To achieve these objectives in the long term, adequate attention to environmental sustainability is key. Environmental degradation and climate change jeopardize the achievements to date and have a disproportionate toll on the poorest, as they are the ones with less capacity to adapt. Environmental sustainability should therefore become engrained in the DNA of the WBG work.

Towards a World Bank Group Strategy

We are looking forward to the formulation of a World Bank Group Strategy and to discuss it at the Annual Meetings, and we believe that the proposed building blocks provide an adequate framework.

In particular, we want to stress the importance of exercising dynamic selectivity in a context of limited resources for the World Bank, and more in general for pursuing the development agenda. In this sense, having a framework to prioritize actions, as established by the targets, is most valuable. In addition, the focus on development solutions and concentrating on impact and evidence-based solutions will help in maximizing the efficiency of the institution on advancing towards its end goal of a world free of poverty.

To achieve the ambitious reduction of poverty that we are aiming to, both the private sector, as the main provider of jobs and the public sector with its role in the provision of a healthy and stable social contract are not only important but also fundamentally interrelated. The Bank’s public and private sector arms should mirror this and should thus truly work as One World Bank Group.

The Bank’s Modernization Agenda

We cannot stress enough the importance of the Bank’s Modernization Agenda, initiated in 2010. Much has been achieved since then, and we now have a Bank more results oriented, who has the leadership on openness and transparency and more accountable. We concur that these achievements will help to implement the upcoming new Strategy. However, more must be done so that the Bank can meet its client’s demand in a more flexible and responsive manner, and thus achieving its overarching goals.

Global Monitoring Report

We take note of the findings of the Global Monitoring Report on rural-urban dynamics. We urge the Bank to take on the lessons and assist countries in managing urbanization to avoid adverse impacts on poverty and sustainability.

Sustainable Development and Natural Capital Accounting

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We support the implication by the Bank on global actions to address climate change. We welcome the work by the IMF estimating the cost of fossil fuel subsidies at 2.5% of global GDP, and agree that the World Bank can play a role in garnering support for the elimination of such inefficient and inequitable subsidies that also harm the fight against climate change. The creation of a fossil fuel subsidies facility can be helpful in that sense.

We are convinced that sharing prosperity is deeply intertwined with the preservation of our natural capital, and that the welfare of current and future generations therefore requires securing the environmental sustainability of our planet. In this context, we welcome the work of The World Bank
Group in promoting Natural Capital Accounting and we expect a fruitful GEF replenishment and look forward to advancing the completion and operationalization of the Green Climate Fund.

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We are aware of the importance of the ongoing IDA-replenishment discussions for the work of the World Bank in the poorest countries in the next years; therefore we look forward to a successful completion of such conversations.