Statement by

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Belgium

On behalf of Austria, Belarus, Belgium, Czech Republic, Hungary, Kosovo, Luxembourg, Slovakia, Slovenia and Turkey
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87th Meeting of the Development Committee
April 20, 2013
Washington, D.C.

It is commonplace for policy makers to remind each other that they meet at an important juncture. It could indeed be argued that this 87th meeting of the Development Committee occurs at a critical moment. We are witnessing a rapid rise of emerging countries. At the same time, aid budgets of traditional donors are under pressure. The relevance of traditional development actors is no longer taken for granted. Meanwhile, the development agenda is gaining depth in light of persistent and new challenges. Against this backdrop, the sun is setting over the Millennium Development Goals. The international community is defining its ambitions for the post-2015 era. The World Bank Group is also fully engaged in preparing a 17th IDA replenishment round. The time is right for questioning our role and ambitions. But let us not overrate the importance of our gathering in the course of history. Let us, in all humility, define what we can change today in the World Bank Group to make this institution more effective at fulfilling its vocation.

A Common Vision for the World Bank Group

We welcome President Kim’s leadership and vision on the design of a strategy for ONE World Bank Group. We believe that the proposed goals of eradicating poverty and promoting shared prosperity can fire up support for the WBG’s mission. Yet, we hope that these goals and their accompanying indicators will encompass a more comprehensive vision of development, particularly in a context of growing and shifting development challenges. We would therefore welcome a clearer emphasis on combating inequality and on human development beyond income growth alone. This implies also focusing on redistribution and other social policies. We also trust that the concept of inter-generational shared prosperity will imply a strong commitment to environmental sustainability in all its dimensions and to promoting global public goods. These views already feature prominently in the existing internationally agreed development goals. We expect that they will emerge even stronger from the post-2015 MDG discussions. Moreover, strong environmental and social safeguard policies should be part of the proposed sustainability goal. Finally, the proposed global-level target on eradicating extreme poverty, without country-level targets, should not lead to an underestimation of or a disregard for the needs of small and fragile states. We expect that these concerns can be addressed as the strategy gains shape in the coming months.

Nonetheless, reiterating our call for humility, we hope that this DC meeting will not attempt to (re)define global aid paradigms. Let us center our discussion on what a strategy for the World Bank Group should look like. A real strategy is based on a vision on selectivity that is embedded in internationally agreed development goals, but that is also based on the WBG’s strengths and on its comparative advantages. A strategy with a clear vision on selectivity is a prerequisite for a better focus of WBG actions and for
making them more effective. It is also a prerequisite for enabling us to derive corporate level goals for which the WBG can be made accountable. In our view, a vision on selectivity should combine a top-down and a bottom-up approach. At the top end, we need to define the WBG’s macro-level aspirations and its comparative advantages. At the bottom end, we should identify where its real, consistent strengths lie and respond to the actual needs of clients. The WBG should focus its action where both approaches meet.

We would argue that the comparative advantages of the WBG are the scale of its resources, a worldwide presence, multidisciplinary expertise, a toolbox through which both public and private sector clients can be supported, and its convening power. Looking at strengths, few would dispute the fact that it has proven to be good and better than others at macro-economic support and at fostering private sector development. Our results measurement systems will in time generate more data that will allow us to determine what the WBG’s strong points are. In addition, impact evaluations should help to determine what has worked and what has not. A stronger monitoring and evaluation system should help staff to take timely and corrective actions during the implementation process of an operation.

Based on this, we believe that a more synergized World Bank Group can offer the following “unique selling proposition” to public and private sector clients: it is best placed to mobilize and leverage support, generate and diffuse knowledge and financially or technically assist with long-term, complex endeavors for development which often have a regional or global dimension. Such undertakings could be pro-poor infrastructure projects and institutional and policy reforms in the areas of macro-economics and global public goods. The ultimate choice on WBG engagement within this proposition should depend on clients and their needs and capabilities.

We do not want the WBG to be an institution offering any assistance imaginable for development cooperation. We believe that it is time to stop spreading our resources too thin. We should not be afraid to disengage from a number of sectors. The WBG should refrain from taking the lead in cases where other development agencies may have a stronger comparative advantage. Instead, the WBG should promote a coherent division of labor with others and also work on better inter-agency cooperation.

It should also take into account market forces driving the private sector and leave to national governments the primary responsibility for developing their countries. While each institution of the WBG has to concentrate on its area of specialization and expertise, it is necessary, at the same time, to reinforce the synergies between them to act at all levels as ONE WBG. Nevertheless, the WBG should not attempt to fill all voids, as this can often be at the expense of its core actions. Likewise, shareholders should refrain from sidetracking WBG action through a proliferation of trust funds. While we welcome the spelled-out commitment in the “Common Vision” paper to serve poor people everywhere, we call for the use of the instruments which are adapted to the situation of each country.

We look forward to discussing these issues and on how a vision on selectivity can have coherent articulations at the policy, corporate and operational level, globally, in regions and in countries.
Global Monitoring Report 2013

With just over two years remaining to attain the MDGs, we are pleased to see that the all-important goal for extreme poverty has been met and that the number of extreme poor will have dropped below the 1 billion mark by 2015. This is significantly less than the 1.9 billion people living in poverty in 1990 and therefore a relative success. It is also heartening to note that the economies of low-income countries and fragile and conflict-affected states have been growing at a robust pace and that their economic outlook through 2015 is even stronger. This should help them to sustain their efforts towards reaching the MDGs.

Although the downside risks to the global economy seem to have eased, there is certainly no room for complacency. A further slowdown of the global economy could have a significant negative impact on low-income countries and their ability to make further progress towards attaining the MDGs.

Regional progress toward the various targets remains uneven and the remaining challenges are particularly huge for Sub-Saharan Africa, the region that is off target for most MDGs. With an expected 41 percent of people living below the poverty line in 2015 and a significant increase in the number of poor since 1990, Sub-Saharan Africa is the region that has stayed behind. It is therefore critical for that region to address its development challenges, with the help of the international community. The promises that were made in Gleneagles have not been fulfilled. Renewed efforts to tackle the development bottlenecks in an integrated and prioritized manner are necessary, with due attention paid to the promotion of private sector development, the mobilization and management of domestic resources, and the improvement of aid effectiveness.

This year’s GMR draws our attention to the linkages between the MDGs and the urbanization of the developing world, one of the major trends of the last three decades. We concur that if the forces of urbanization are not managed efficiently, slum growth can derail MDG achievements and disproportionally affect women and children. We also agree that a well-designed urbanization strategy is needed to help attaining the MDGs and that planning for land use and basic services is the most critical element. We urge the Bank to enhance its assistance to low-income countries to better manage the increasing pace of urbanization. We also strongly endorse the message that the challenge of poverty reduction will remain in rural areas, in particular in Sub-Saharan Africa.

We encourage the WBG and the IMF to continue contributing to the debate on the MDGs, and also the post 2015 development framework, through its research and data collection. In doing so, the institutions should not shy away from pushing the envelope on how to define and measure development and on how to ensure equal opportunities to prosperity for all, including future generations.