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(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)



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Statement by

Mr. Xie Xuren
Minister of Finance

The People's Republic of China

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**at the 85th Meeting of the Development Committee
April 21, 2012, Washington, D.C.**

Good afternoon. I would like to take this opportunity to share with you my thoughts on the two agenda items, namely social safety nets and World Bank Group innovations in leveraging the private sector for development.

Social Safety Nets

Social safety nets are important building blocks of social security systems and play a vital role in securing basic livelihoods of poor people and maintaining social stability.

Economic development is the critical foundation for building social safety nets. It is therefore important for the international community to support economic development in developing countries, particularly to help the developing countries scale up investments in such areas as agriculture, infrastructure and energy, laying a solid foundation for well-established social safety nets. At the same time, it is crucial to recognize that there is no one-size-fits-all model for social safety nets. When developing social safety nets, it is essential to take into account specificity of countries at various economic and social development stages, fully respect the autonomy of recipient countries in promoting development, stick to the demand-driven principle and help the developing countries build social safety nets tailored to their specific national conditions. Multilateral development institutions including the World Bank Group should provide financing and technical assistance based on comparative advantages, and help the developing countries, in particular, the low income countries, strengthen social safety net.

The Chinese government has attached great importance to social safety nets development and has already established a new-type social assistance system covering both urban and rural areas where poor people get assistance, widowers, widows, orphans and childless seniors are taken care of, sick people have access to medical services and those in difficulty receive help. The Chinese government will continue to follow the principles of ensuring the basic livelihood, pursuing fiscal sustainability, promoting social justice and seeking real effectiveness, and further improve the social assistance system in line with our economic and social development level. We are also willing to strengthen communication and cooperation on social safety nets with the international community.

World Bank Group innovations in leveraging the private sector for development

Private sector plays a significant role in promoting economic development, creating wealth, improving employment and increasing household income. The World Bank Group has long been working on creating conditions for private sector development through helping member countries improve investment climate and increase direct support to the private sector. China appreciates the efforts of the World Bank Group in this regard.

When leveraging the private sector for development, the World Bank Group should stick to its core mandate of poverty reduction and development and strengthen the complementary role of the private

sector; primarily supporting priority areas directly related to poverty reduction and development through mutually beneficial mechanisms and providing services like technology, information and finance to poor people.

Meanwhile, the World Bank Group should further promote stronger Public-Private Partnerships building on existing cooperation. With the public sector playing the leading role in promoting development, we should also emphasize the fundamental role of market in allocating resources and fully mobilize the private sector for maximum gains in poverty reduction and development. In addition, the World Bank Group should also help developing countries develop and improve relevant laws and regulations, and improve various supporting policies like fiscal, taxation and finance policy, thus creating favorable environment for private sector development.

On behalf of the Chinese government, I would like to avail myself of this opportunity to extend our sincere appreciation and gratitude to President Zoellick for his dedication and efforts in promoting the reform agenda of the World Bank Group including voice reform, internal governance reform and modernization agenda during his term. I am confident that under the leadership of the new president, the World Bank Group will make greater contribution to global poverty reduction and development.