



DEVELOPMENT COMMITTEE

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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Washington, April 16, 2011

1. The Development Committee met today, April 16, 2011, in Washington DC.
2. We welcome evidence of a strengthening global economy, led in large part by developing countries. However we are concerned that overheating in some sectors, especially food and energy, is resulting in price pressures and volatility, putting developing countries and especially their most vulnerable populations at risk. We pledge to stay alert to the economic challenges arising from natural disasters, conflict and social unrest. We remain committed to ensuring sustainable, balanced and inclusive growth and providing timely, effective support where needed.
3. Recent events in parts of the Middle East and North Africa will have lasting social and economic impacts, which will differ from country to country. We welcome the timely World Bank Group (WBG) and IMF engagement and advice, including program and policy support for jobs, social safety nets, fiscal management, governance, promotion of private sector development and other critical areas. We call on the Bank to strengthen its support to the Middle East and North Africa, working with governments and with relevant multilateral, regional and bilateral organizations.
4. The international financial institutions continue to play an essential role in helping countries prevent and weather crises. We especially welcome the unprecedented sixteenth replenishment of the International Development Association (IDA) and the approval of the IBRD capital increase, and look forward to a swift adoption of IFC's selective capital increase. We welcome IDA16's focus on gender, fragile states and climate change and emphasis on results. We also look forward to IDA's continued support for agriculture, infrastructure and energy. We welcome the special allocation for Haiti and the new dedicated Crisis Response Window to strengthen IDA16's capacity to respond rapidly when member countries are hit by economic crises or natural disasters. All of these additional resources will help the WBG to continue to support member countries in their fight against poverty.
5. We welcome the fact that two thirds of developing countries are on target or close to being on target for reaching the Millennium Development Goals. However, progress has been mixed and it

has slowed in places due to the global economic crisis and the recent food and energy price increases. We commit to intensifying our efforts to achieve results by 2015, especially in lagging regions, fragile states and for vulnerable and historically excluded populations, including women and girls, and to protecting progress by building resilience to economic and environmental shocks.

6. We are concerned about high and volatile international food prices and their impact on vulnerable populations, as well as the longer term risks they pose to growth and poverty reduction. We welcome the responsiveness of the WBG, working with partners including the G20, to help address short- and long-term challenges related to food security and price volatility. We welcome the recommendations in the Development Committee paper, *Responding to Global Food Price Volatility and Its Impact on Food Security* and urge further action in this area. We welcome the WBG's stepped-up role in agricultural development and agricultural research, including efforts to strengthen the productivity and resilience of smallholder production. We call on the WBG to pursue innovative solutions to strengthening agricultural productivity, trade, and farmers' access to markets, as well as private investment and South-South cooperation. Africa is disproportionately affected by shocks and deserves special attention. We stress the crucial role women play in agriculture and the importance of ensuring their needs are addressed. To help meet developing country needs, we recognize the importance of stronger coordinated multilateral action in food and agriculture, including adequately funding the Global Agriculture and Food Security Program (GAFSP), and partnerships involving the UN and other relevant bodies.

7. We welcome the World Development Report (WDR) on *Conflict, Security and Development*, with its emphasis on the link between conflict resolution and economic development. The WDR has the potential to stimulate significant improvement in the performance of the WBG and other development partners in fragile and conflict-affected states. As part of the international community's collective effort, the WBG can play a key role in helping countries through a focus on job creation and private sector development, inclusive growth, the development of strong institutions, and the enhancement of security and justice in countries affected by fragility, conflict, organized crime and other forms of violence. We support incorporating lessons from the WDR into WBG policies and operations, including alignment of results and risk management, and provision of incentives to the best qualified staff to serve in these situations. We urge the WBG to be ready to engage early and consistently in fragile and conflict-affected situations within the areas covered by its institutional mandate, and in full coordination with other development partners.

8. We welcome the outcomes of the Cancun meeting on climate change and the WBG's role as an interim trustee of the Green Climate Fund (GCF). This will help to draw on the WBG's experience from the Climate Investment Funds and to ensure continuity in climate investment before the GCF becomes operational. We look forward to further progress in this area, including innovative approaches to development and climate change financing, and the Bank's support for the work of the Transitional Committee in charge of designing the GCF.

9. We welcome ongoing implementation of the WBG's Post Crisis Directions and actions to modernize the WBG's structures and operations to reinforce its ability to improve client responsiveness and to deliver, measure, and report on effective results. We welcome the report on presidential selection, which responds to the request for an open, merit-based and transparent selection process, and the report on dual performance feedback as a means to strengthen governance and accountability, bearing in mind the development mandate of the WBG. We welcome the efforts

to develop the WBG's Corporate Scorecard with a view to strengthening the strategic dialogue with shareholders on directions and overall institutional performance. We call on the WBG to continue to promote staff diversity to better reflect its global nature.

10. We extend our sympathy and support to the government and people of Japan as they grapple with the impact of the recent natural disasters.

11. The Development Committee's next meeting is scheduled for September 24, 2011, in Washington DC.