FOR IMMEDIATE RELEASE

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, October 9, 2010

1. The Development Committee met today, October 9, 2010, in Washington DC.

2. Two years after the onset of the global financial crisis, actions by developed and developing countries, with strong support from multilateral financial institutions, have helped head off a catastrophic economic downturn. Economic resilience among many developing countries, reflecting sound policies in the years prior to the crisis, has underpinned the effectiveness of the global response, and is now contributing to the nascent global recovery.

3. Many developing countries have done well in maintaining growth and output and preserving core spending on health, education and infrastructure. Protecting vulnerable groups has proved a bigger challenge--especially in low-income countries--partly because of fiscal constraints and difficulties in scaling up effective social protection mechanisms.

4. Until 2008, developing countries had made significant, if uneven, progress to achieve the Millennium Development Goals (MDGs). The food, fuel and financial crises, however, have taken a heavy toll. We commit to intensify our efforts to achieve the MDGs by 2015, with a stronger focus on results.

5. We welcome the role played by the multilateral financial institutions in supporting countries' own responses to the crises. We note the exceptionally high levels of commitments and disbursements by the World Bank Group (WBG) and the International Monetary Fund (IMF) since the onset of the financial crisis. We call on the WBG and the IMF to continue identifying policies and instruments that could best assist in preventing and responding to future crises, reduce the risks to growth and increase prospects for a sustainable recovery.

6. The International Development Association (IDA) is one of the world's most important instruments for achieving the MDGs and improving the lives of millions of people. IDA contributes unique strengths to development policy and financing, which underlie its strong track record of delivering development results. In this context, we welcome the continued efforts to improve IDA's results measurement. We call for a strong sixteenth IDA replenishment, with fair and broader burden sharing among all donors and the WBG.

7. We stress the importance of the revival of world trade and investment in underpinning global economic recovery and growth. Therefore, we urge members to avoid all forms of protectionist measures. Developing economies will play an increasing role in global growth and trade. We reiterate our support for the WBG's continuous efforts in infrastructure, innovation and human capital investment. We would like to emphasize our support for further strengthening and mainstreaming of the WBG's work on gender. We also recognize the WBG's work in the area of climate change, including Climate Investment Funds. We encourage further collaboration with the United Nations Framework Convention on Climate Change.

8. Food security and nutrition will remain vital concerns for many developing countries. We look forward to strengthened efforts by the WBG, in coordination with other international institutions, to address issues of agricultural productivity, food security and challenges posed by agricultural commodity price volatility.

9. We encourage the continued implementation of the Post Crisis Directions framework that provides the WBG with strategic guidance to help the institution prioritize, make trade-offs and maximize its development impact. We acknowledge the work underway on results, including a corporate scorecard, on knowledge sharing and learning, and on decentralization. We expect the Board to monitor and report on all the agreed reforms to ensure their timely and effective implementation. We commend the WBG on opening access to data, tools and information. We welcome the continued efforts of the International Finance Corporation to contribute to stronger private sector development, including in IDA countries, and its efforts to mobilize additional resources, such as through the Asset Management Company.

10. We welcome the third Sub-Saharan Africa Chair at the WBG. We stress the importance of timely implementation of the remaining proposals on voice reform and on strengthening the WBG's financial capacity that we endorsed last spring.

11. We note the progress made on the governance and accountability of the WBG, and look forward to proposals from the Board, including work underway on presidential selection and dual performance, at our next meeting. We reiterate the importance of an open, merit-based and transparent process for the selection of the President of the WBG. We also

reiterate the importance of promoting staff diversity to reflect better the global nature of the WBG.

12. The Committee's next meeting is scheduled for April 17, 2011 in Washington, DC.