

Development Committee Communiqué

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries
Tokyo, Japan October 13, 2012

1. The Development Committee met today, October 13, 2012, in Tokyo.
2. The global economy remains vulnerable. Challenges persist in many developed economies, while growth is slowing in major emerging economies that have been important sources of global economic dynamism in recent years. We recognize the measures taken by many member countries to support growth, while acknowledging the need for continued fiscal, financial and structural efforts. We reiterate our commitment to taking decisive actions to promote growth and development, to continued support for an open global economy and to meeting our pledges of development assistance. We reaffirm our commitment to achieving the Millennium Development Goals and encourage the World Bank Group (WBG) to contribute actively to the post-2015 development framework. We welcome the recent decision by the International Monetary Fund (IMF) to put its concessional lending facilities on a self-sustained footing, using the windfall profits from sales of gold.
3. Recent financial crises mean fewer jobs where millions are needed. Jobs are engines of poverty reduction and empower people, especially women and young adults. Jobs have the potential to drive the transformation that leads to sustainable development and social cohesion. The WBG *2013 World Development Report on Jobs* highlights that there is no magic formula for creating jobs and the mix of job enabling policies will differ between countries. The private sector generates most jobs, but the public sector also has an important role to play. The WBG must continue to help countries strengthen the enabling environment for job creation given their specific challenges, and the role of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency will be especially crucial in supporting the private sector, including through innovative initiatives. We encourage the WBG, in partnership with member countries and other stakeholders, to build on its cross-cutting analytical and policy work around jobs and to share this knowledge.
4. Gender equality is smart economics and a key factor in poverty reduction. We welcome progress made by the WBG in implementing its gender equality agenda, although much remains to be done. We are encouraged that all country strategies discussed in the past year are gender-informed. We urge the WBG to sustain the momentum to support client countries' efforts, especially where gender inequality persists, and to report on further progress in one year.
5. We thank the Government of Japan for hosting these Annual Meetings as well as the Sendai Dialogue. Natural disasters can be a serious impediment to poverty reduction and affect poor and vulnerable people the most, and their impact is on the rise. We thank Japan for sharing lessons from its experience of disaster risk management, and welcome the *Sendai Report: Managing Disaster Risks for a Resilient Future*. Disaster risk management is often less costly, in financial and human terms, than disaster relief and response. Recognizing that disaster risk management and adaptation to climate change are collaborative efforts, we call on the WBG to integrate them into its work with client countries, while continuing to play a major role in supporting effective responses and reconstruction operations, when disasters do occur.
6. Food security and food price volatility remain persistent threats to development and merit continued attention. We are troubled by the acute humanitarian emergency in the Sahel region where hunger threatens the lives of 19 million people and the stability of the region. We call on the WBG to accelerate work with other multilateral agencies and donors on a comprehensive regional approach to develop and scale up solutions to enable the Sahel region to permanently escape the cycle of emergency aid, and reach a more resilient and sustainable future in the medium term. Over the longer term, mechanisms such as the Global

Agriculture and Food Security Program, agricultural research, infrastructure investments and south-south learning will reduce vulnerabilities. The IMF should continue to provide prompt balance of payments financing where needed.

7. We also encourage the WBG to increase its effectiveness in fragile states and align the development objectives of its country programs to the specific challenges member countries face. We welcome the renewed focus on recruiting and supporting talented staff to serve in these difficult environments. We are pleased to see that the IFC has increased its activities in fragile states.

8. Following the discussions at Rio+20, the Ministerial Dialogue on Sustainable Development sharpened our focus on sustainability and allowed us to exchange views about the effective use of policies to support inclusive green growth and how to pursue better measures of growth and welfare. We call on the WBG to provide support to countries that want to use natural capital accounting to help chart their next phase of growth. We are encouraged that the WBG-supported Global Partnership for Oceans has attracted new members and created a sense of urgency about the need for action to restore oceans to productive health and for sustainable aquaculture.

9. We welcome Dr. Jim Yong Kim as the new President of the WBG and value his strong commitment to focus on how the Group can further accelerate progress towards our core mission of eradicating poverty and boosting shared prosperity. We support his vision of a WBG that focuses on impact, provides evidence-based assistance with integrated development solutions to its member countries, and promotes global public goods. We look forward to an update at the Spring Meetings on the implementation of the modernization agenda and the next steps toward a more results-oriented, knowledge-based, open, transparent, and accountable WBG which can help deliver transformative change for client countries. To help facilitate this, we support a cultural shift to focus further on results and implementation, backed by the necessary human resources reforms and stronger leverage of WBG synergies.

10. The next Development Committee meeting is scheduled for April 20, 2013, in Washington DC.