



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)



EIGHTY-SEVENTH MEETING
WASHINGTON, D.C. – APRIL 20, 2013

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Statement by

Ms. Lilianne Ploumen
Minister of Foreign Trade and Development Cooperation

Kingdom of the Netherlands

**Representing the Constituency of Armenia, Bosnia and
Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, former
Yugoslav Republic of Macedonia, Moldova, Montenegro, The
Netherlands, Romania and Ukraine**

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87th Meeting of the Development Committee

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Introduction

We meet at a time of continuing challenges in the global economy. The world economy remains fragile and growth in high-income countries is weak. This weakness is dampening growth rates in developing and emerging countries. Last year, many recorded among their slowest economic growth rates of the past decade. To assure resilience to downside risks, countries need to gradually rebuild depleted fiscal and monetary buffers, and improve social safety nets and food security. Moreover, solutions need to be found to create jobs for men and women and build security in fragile and conflict-affected countries. Meanwhile, international cooperation is changing, with new actors and forms of cooperation gaining importance.

The World Bank Group has a central role to play in confronting these challenges. Our constituency sees the Bank as a major partner for achieving development and a platform for the donor community. Increased and improved collaboration with development partners at the global, regional and country level is imperative in order to achieve development results. We encourage the World Bank to have a client-oriented and inclusive approach working effectively and flexibly in partnership with all stakeholders to support country-led development plans that will move recipients beyond aid. We share the vision of President Kim to focus on ending extreme poverty and on promoting shared prosperity in a sustainable manner. We look forward to discussing these three issues, and the reform process, at the Spring Meetings.

Development challenges

Ending extreme poverty

Our constituency fully endorses the primary focus in the WBG's vision on ending extreme poverty. We encourage the Bank to fully participate in the UN led process on the new development goals beyond 2015. The target the Bank sets, reducing the percentage of people living on less than USD 1.25 a day to 3% by 2030, is clear and ambitious.

To reach the 2030 goal, global poverty needs to be halved several times – all in less than one generation. Achieving this goal requires sustaining high rates of economic growth, enhancing inclusiveness and mitigating potential shocks. Our constituency is committed to confront the challenge of eradicating extreme poverty in one generation.

Our constituency is keen to stress the importance of meeting the Millennium Development Goals by 2015 and building the new framework for the period beyond 2015. The new agenda should help countries to take part in a global development discussion, on the basis of equality. We are aiming for

sustainable relations based on mutual economic benefits beyond aid. The new framework should lead to improved development effectiveness and should be based on country ownership and improved dialogue with the clients, and cooperation between the Bank, non-traditional and existing donor countries, other multilateral development institutions and civil society and the private sector. All parties should fulfil their responsibilities in strengthening equitable, inclusive and sustainable economic growth. Traditional and innovative financial flows, and coherent policies across different domains, should support sustainable development. Our constituency welcomes the appointment of a World Bank envoy for the post-2015 process and looks forward to working together in moving the post-2015 agenda forward.

Promoting shared prosperity

Our constituency endorses the WBG view that ending poverty requires a continued commitment to raising the incomes of the poor and vulnerable in every country. Our constituency is looking forward for more details regarding the operationalization of the objectives included in this vision, since we consider this as being crucial for a successful achievement of the strategy objectives while taking into account the different needs and stage of development for client countries.

Our constituency deems private sector development essential to reaching this goal. The last three World Development Reports, with their respective focus areas of fragility, gender and jobs, rightly highlighted the importance of the private sector. The WBG, in particular IFC, has vast experience of promoting private sector development, by improving the enabling environment as well as by supporting individual private sector projects.

Sustainability

Our constituency agrees with the WBG's analysis that objectives of ending extreme poverty and sharing prosperity need to be pursued in a manner that is environmentally, socially and fiscally sustainable. This will not be an easy undertaking, especially as it involves global public goods like water and measures to tackle climate change. For that reason, we look forward to the dashboard of quantitative indicators that the WBG is developing. This will enrich the discussion and stimulate innovation within the sustainability agenda.

The WBG plays an important role in formulating standards and can set a powerful example in the way it implements them. We encourage the WBG to pay sufficient attention to this matter and to include both the private sector and civil society groups in the development of this part of the new strategy.

Modernisation and reform agenda

The modernisation and reform processes that different parts of the WBG have initiated over the last couple of years will prove useful, but are not yet sufficient for the implementation of the World Bank's vision. Our constituency deems further integration of the WBG to be essential. A stronger focus on goals and more integrated strategies, as suggested by President Kim, are needed to achieve policy coherence and complementarity. Meanwhile, the Bank needs to recognise the diversity of clients and their specific needs. Country ownership remains an important prerequisite for achieving development impact, while client feedback is essential for improving the quality of the Bank's work. In this context, we favour putting more products to the 'client test', by increasing the use of fee-based services while ensuring level playing field across similar type of clients.

We see great opportunities for synergies within the WBG. Increased cooperation between its different entities can bring about transformational change and address persistent obstacles to development. We welcome the three for one initiative (IDA, IFC and MIGA joint endeavours in countries and projects) and propose to expand it to four for one, to allow IBRD to be in. This ensures that all client countries benefit from close coordination between the different World Bank Group windows. IFC's experiences can be drawn upon when integrating the support processes within the WBG to help achieve

efficiencies at the World Bank. It is important that the Group's constituent parts converge around the best practice and not the widest practice.

Our constituency continues to critically examine the WBG's remuneration and benefits policy. In the light of the ongoing global economic crises, we ask the WBG to bring its relatively generous policy more into line with the public development objectives it stands for.

Our constituency places a strong emphasis on value for money. To reach the goal of maximising development impact, the strength of the World Bank is reflected in the identification, measurement and reporting of development results. We also support the WBG's increased focus on risk management: not ticking the boxes of a list of preconditions, but accountability on the basis of actual results. We also expect the WBG to stimulate enhanced cooperation among multilateral institutions on these issues.

Effective procurement is indispensable in efforts to improve development impact. It helps countries get value for money and enhances the development outcome of WBG projects. Our constituency therefore attaches great importance to the WBG's current review of procurement policies. We would like to see quality and contract compliance become more important in tender procedures. We encourage the WBG to align and harmonise its procurement guidelines with the most modern international standards and to allow for greater emphasis on non-monetary considerations. At the same time, we urge the WBG to keep the compliance burden for clients in check, as excessively onerous procedures lead to higher costs and jeopardise the swift and successful implementation of projects. Similarly, we look forward to enhancing the effectiveness of the WB safeguards.

We take note of the discussion on IDA graduation. While recognizing that graduation is an important achievement, it must be considered with great care and with consideration of lessons learned. Exogenous vulnerabilities, country specific circumstances and extent of access to external financing should all be taken into account as much as possible. We thus request the Bank to seek dialogue with the candidate countries to guide the transition in a balanced and sequenced manner, ensuring that country specific development challenges are fully incorporated.