



2010

ANNUAL MEETINGS

International Monetary Fund  
World Bank Group

Washington, D.C.



# RESILIENCE, RESULTS, REFORMS

## Addressing the Crisis and Beyond

Robert B. Zoellick  
President, The World Bank Group  
Plenary Session



# 1. THE CRISIS TWO YEARS

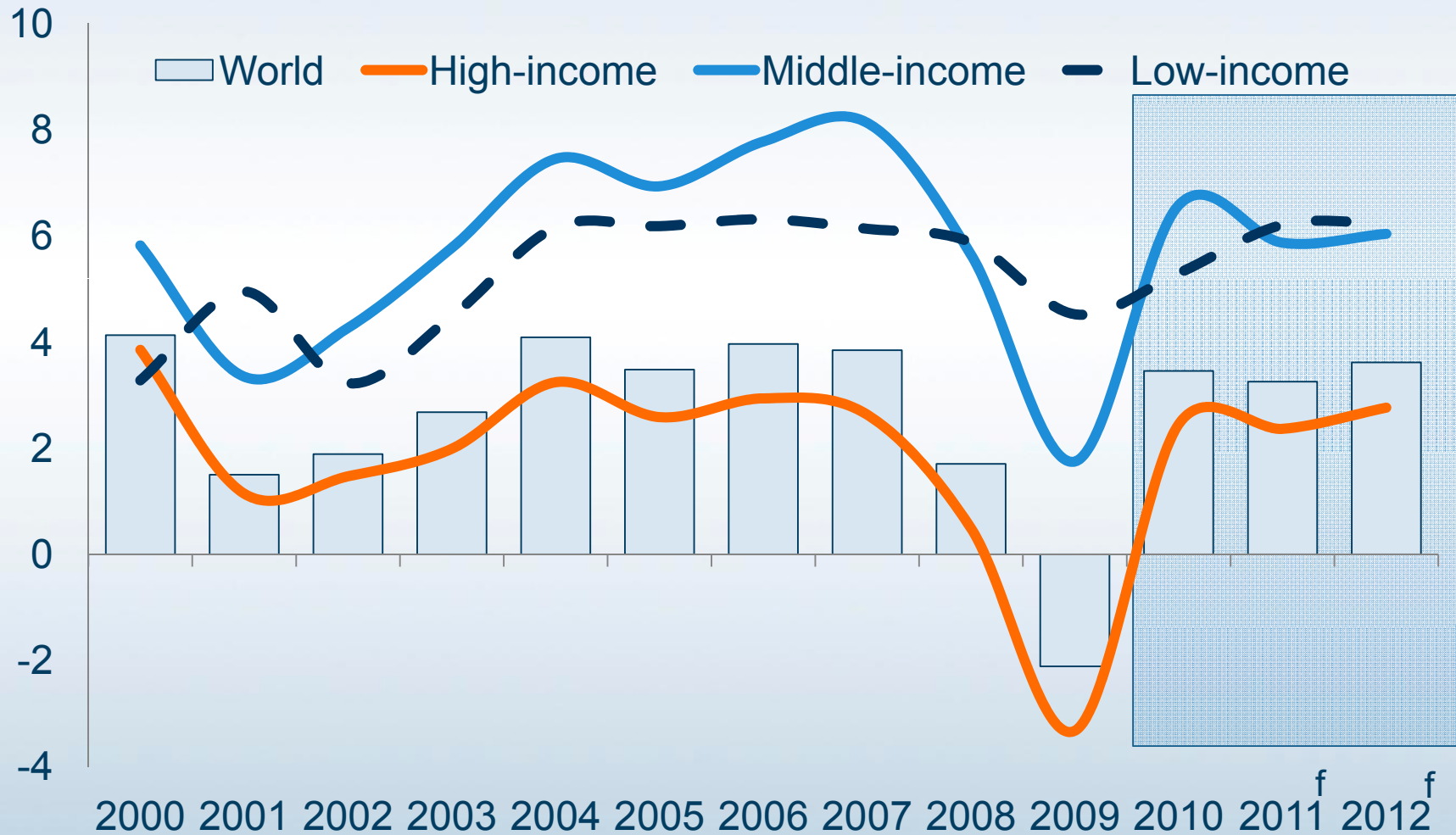
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TWO YEARS

# GLOBAL GROWTH HAS RETURNED

but not strong enough to cut deeply into unemployment

Real GDP growth rates in percent

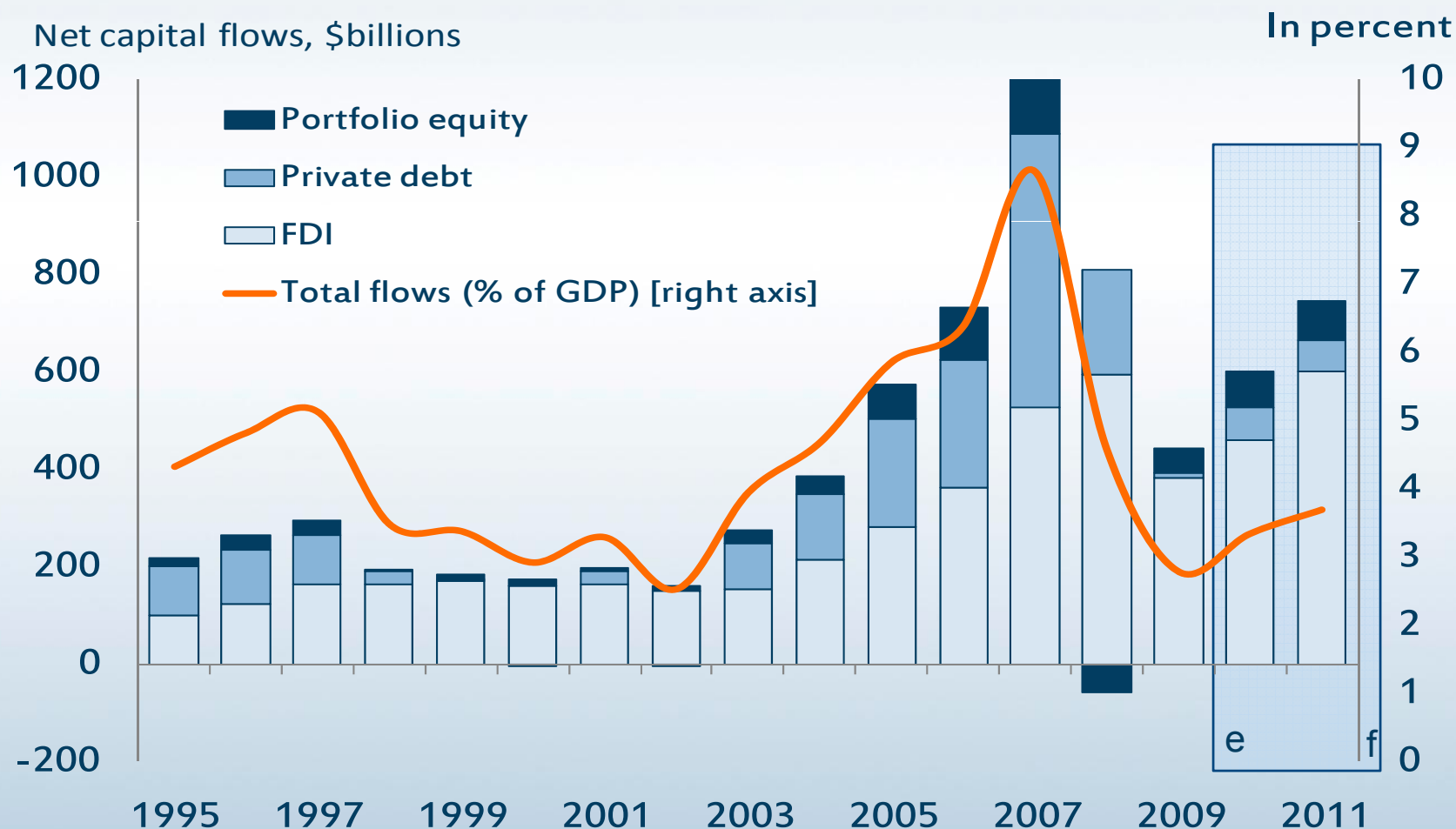


# OUTPUT HAS NOT RECOVERED

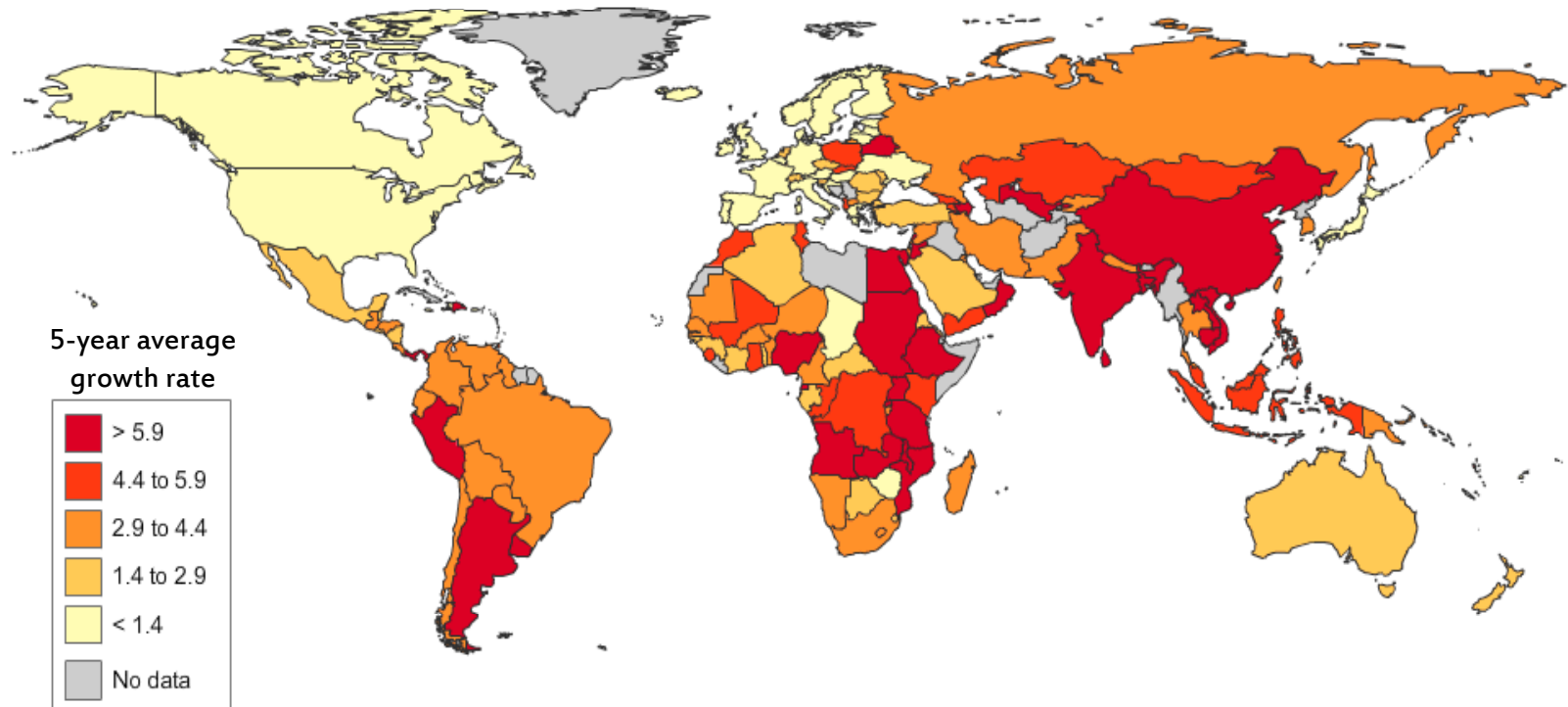
to pre-crisis levels in high-income countries and ECA



# FDI AND BONDS IN EMERGING MARKETS HAVE REBOUNDED, but bank lending remains weak to the detriment of LICs



# MULTIPLE POLES OF GROWTH ARE EMERGING that can drive global demand

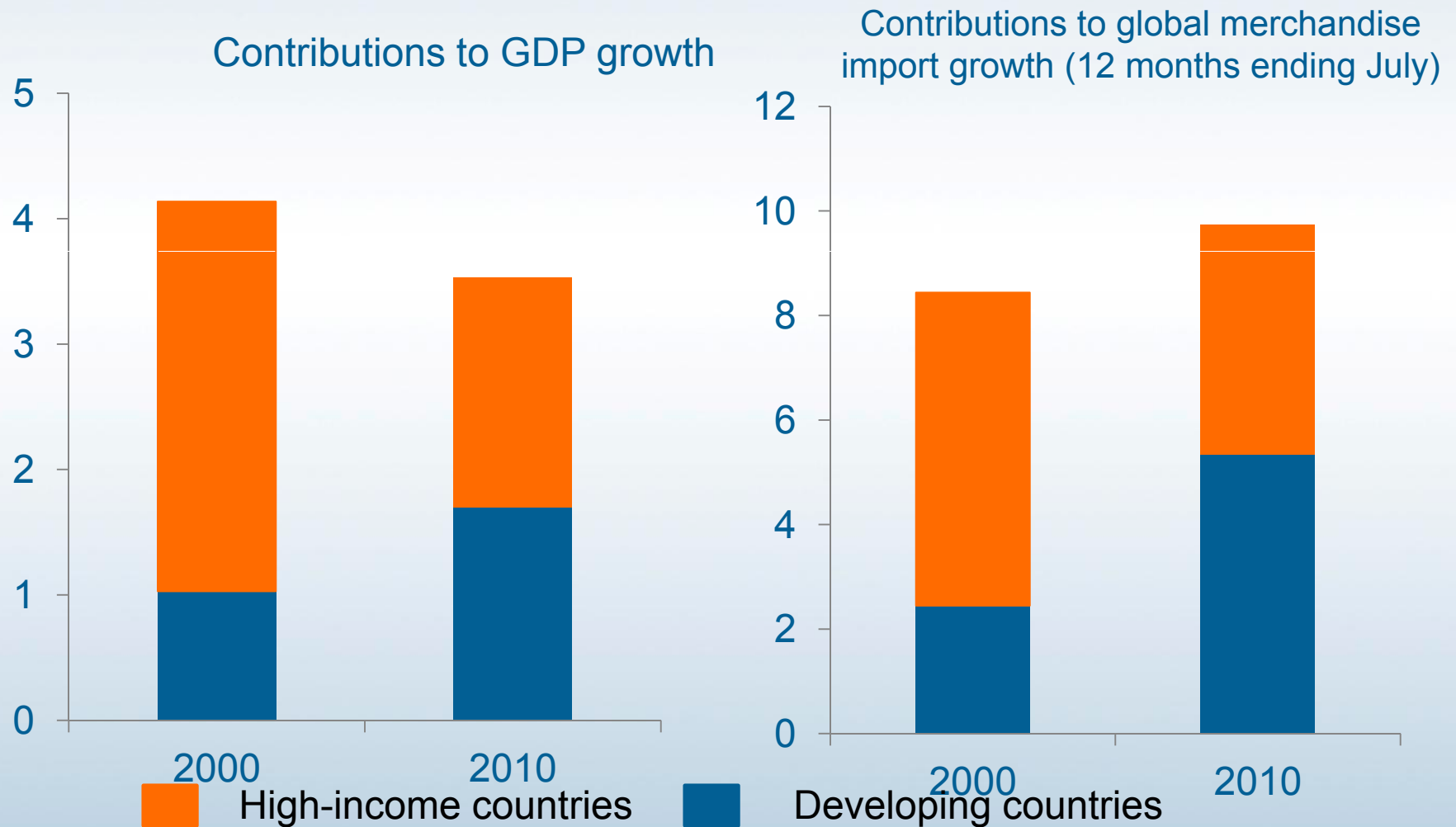


Map of GDP growth (5-year averages)

2006-2010

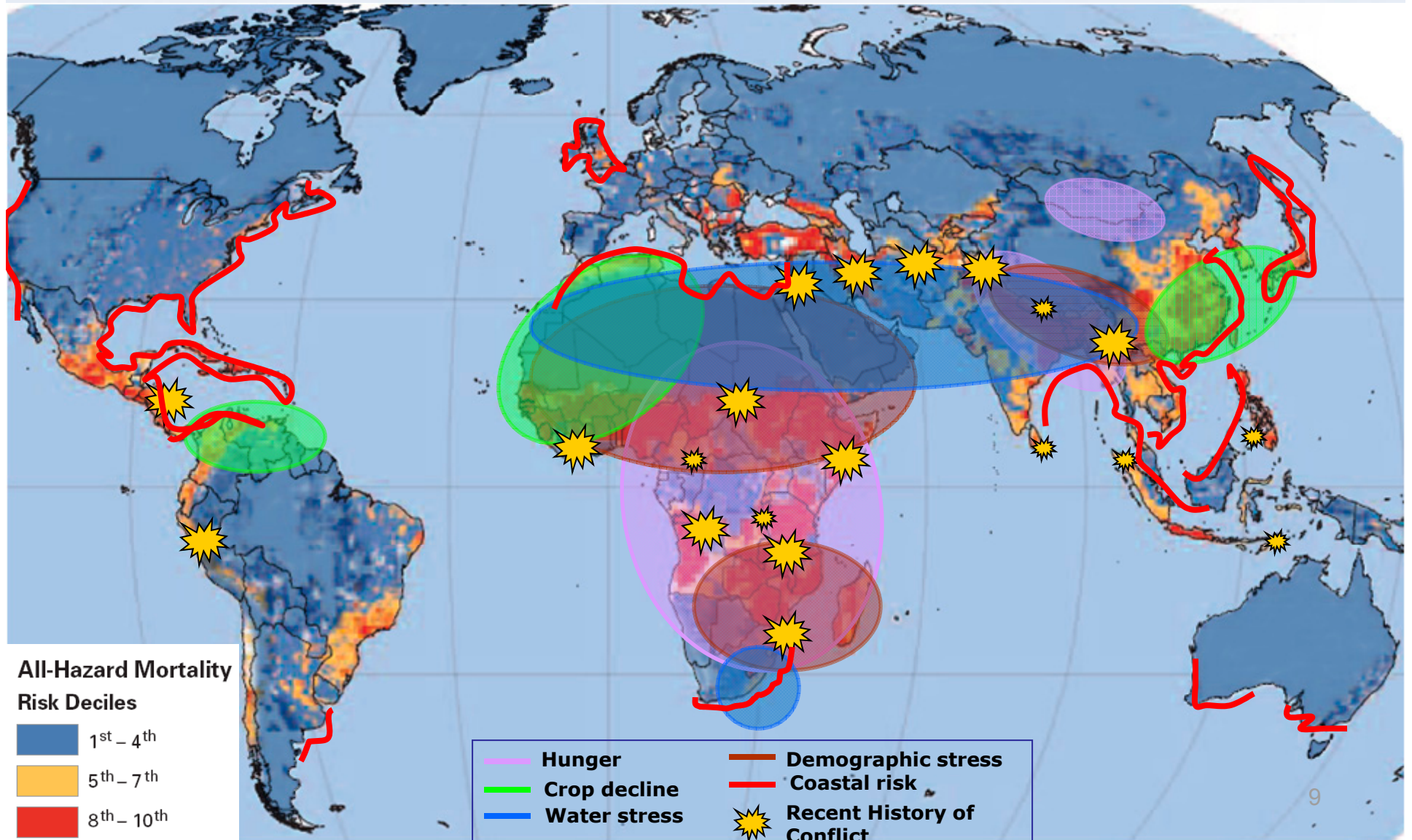


# DEVELOPING COUNTRIES ARE INCREASINGLY an engine of global growth



# But countries face uncertainty given volatility and

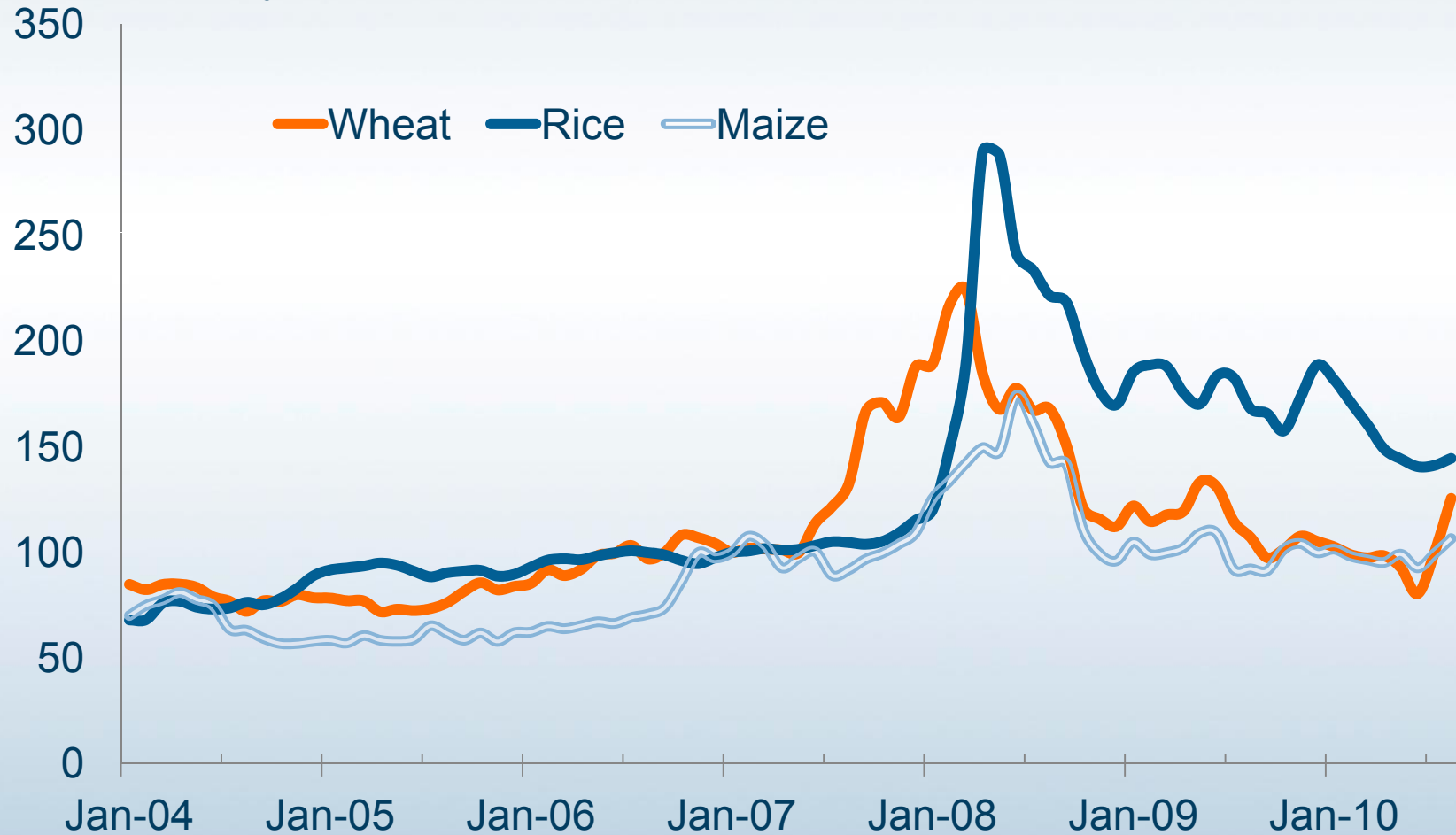
disasters  
Natural Disaster Hotspots along with other environmental and social stress factors



# VOLATILITY IN FOOD PRICES CONTINUES

and is a vulnerability for many countries

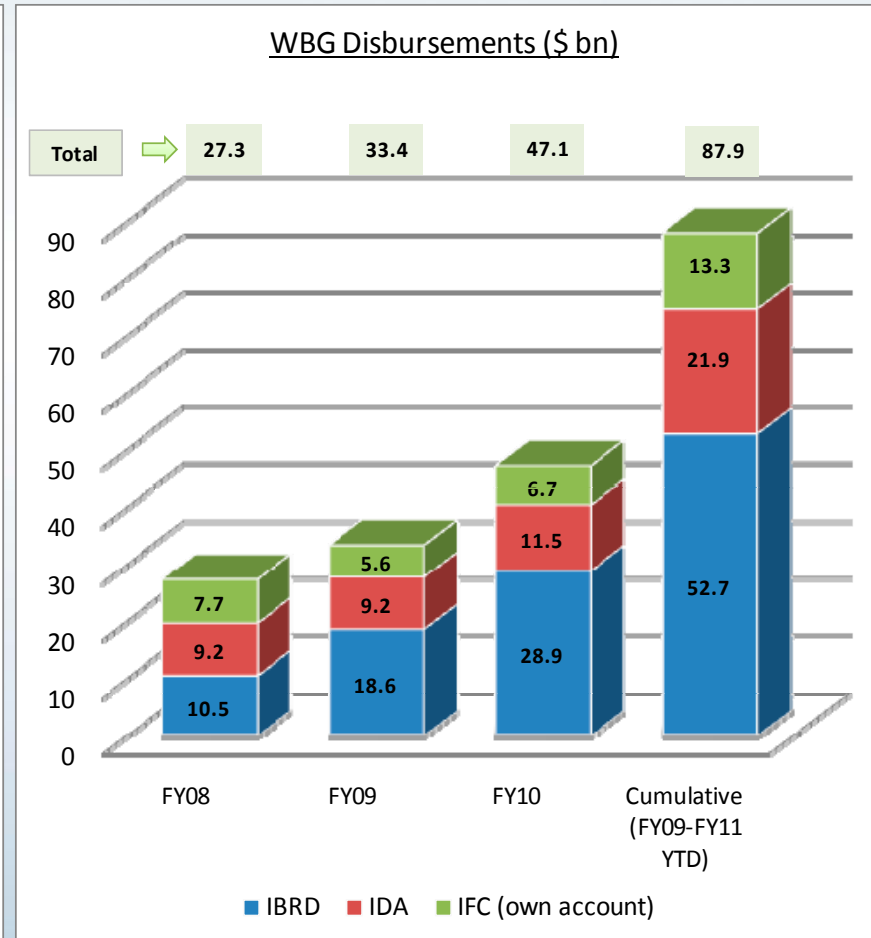
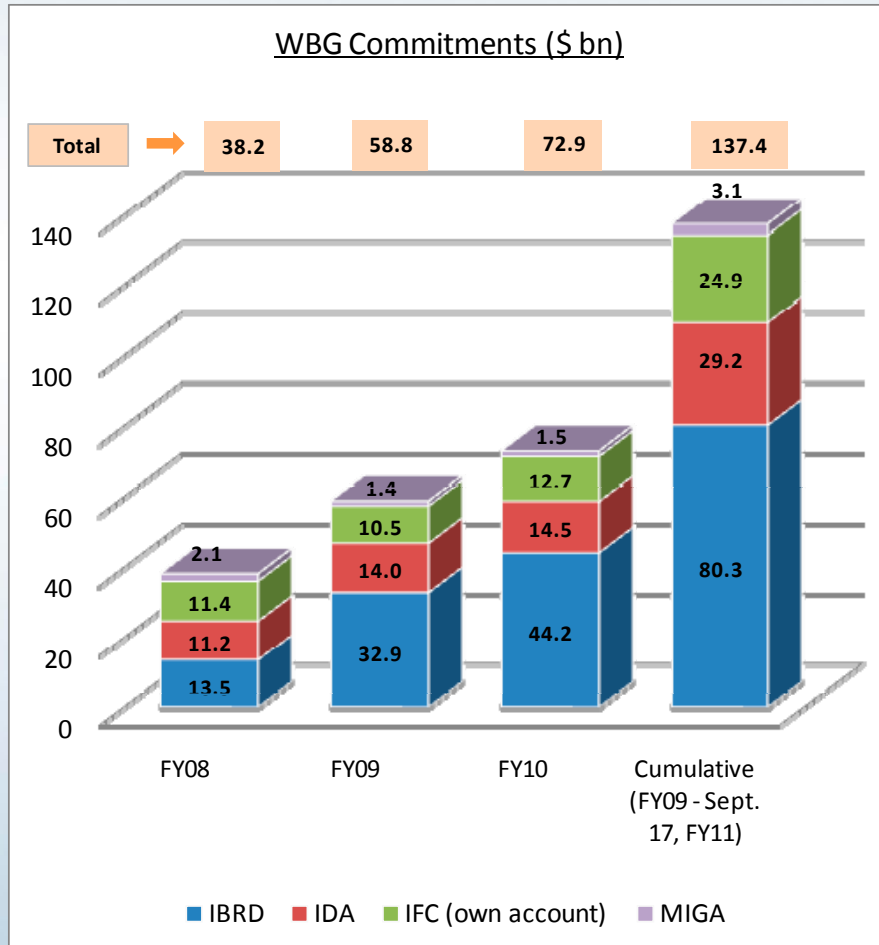
Price, January 2007=100



## 2. THE WORLD BANK GROUP'S RESPONSE

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# WORLD BANK GROUP'S COMMITMENTS and disbursements are at record levels



# Fast Response, Flexibility, Client Focus

## RAPID RESPONSE

\$1.5 bn through IDA Fast Track - 50 countries benefited  
\$1.6 billion through the Pilot Crisis Response Window  
\$1.5 billion through the Global Food Crisis Response Program

## IFC SUPPORTING PRIVATE SECTOR

\$6 bn in support for crisis response initiatives  
Global Trade Finance / Liquidity  
Microfinance, Infrastructure, Bank capital  
Renewable energy

## MIGA: FLEXIBILITY & NEW PRODUCTS

Financial Sector Initiative delivered  
US \$1.5 billion in guarantees

# Sharing “Know How” and Spreading Innovation

**Conditional Cash Transfer Systems**

**Social Safety Nets**

**Infrastructure**

**Public Finance, Procurement, Transparency and  
Accountability**

**Disaster Risk Management**



# Global Priorities

## Agriculture and Food Security

- Scaling up financial support: \$6.2 - \$8.3bn annually
- Global Food Crisis Response Program (GFRP)
- Global Agricultural and Food Security Program (GAFSP)
- Strengthening the value chain
- CGIAR reform

## Climate Change

- Supporting climate change activities in 133 countries
- \$6.4 billion in Climate Investment Funds leverages climate smart investments in 44 countries
- Supporting UNFCCC – Building blocks



REDD+  
TECHNOLOGY



ADAPTATION  
REFORM

SMALL ISLAND STATES



FAST START FINANCE



SOIL CARBON



CARBON MARKET





# Global Priorities

## **Governance & Anti-Corruption**

- Volcker recommendations implemented – new Prevention Unit
- 306 cases completed in FY10
- GAC Strategy intensive programs in 17 countries
- MDB agreement on cross debarment /StAR

## **Gender**

- Gender Action Plan
- Adolescent Girls Initiative in 8 countries
- WDR 2012 on Gender
- Theme for IDA 16

## **Fragile States: Mixture of Governance, Development, and Security**

- Use of Multi-donor Trust Funds: Aceh, Afghanistan, Haiti, South Sudan
- Theme for IDA16
- WDR 2011 on Conflict, Security and Development



# 3. REFORMS TO LEVERAGE EFFECTIVENESS

EFFECTIVENESS

# Reforms of Voice and Governance

## **Increased voting power of DTCs**

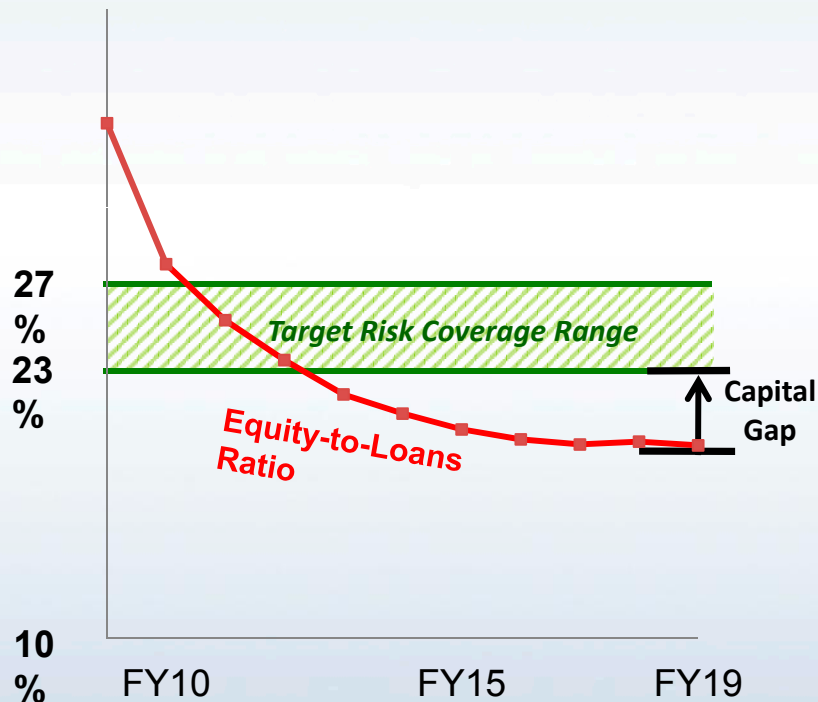
- IBRD to 47.2 percent, up 4.6 percentage points since 2008
- IDA to 46 percent, up about 6 percentage points
- IFC to 39.5 percent, up by 6 percentage points

**New Chair for Sub-Saharan Africa November 1<sup>st</sup>**

**Increasing diversity in management**

# Implementation of Financial Package

Projected gap in capital backing loans



Spring package

General and Selective Capital Increases

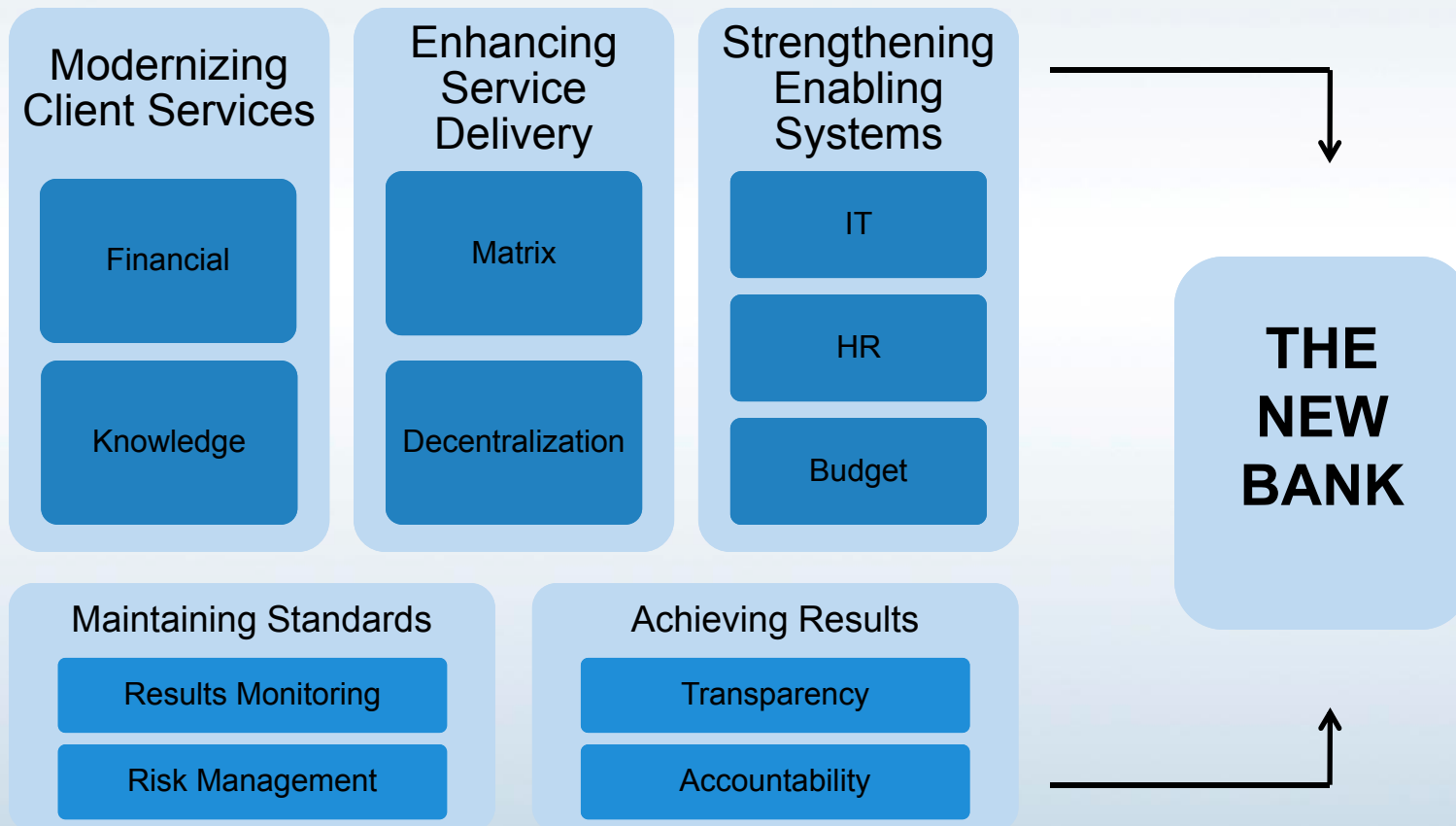
Reform of loan maturity terms

Existing national currency paid-in capital

Budget discipline

# Agility, Flexibility, and Responsiveness

Interconnected reforms to improve Results Focus



**Introduction of Corporate Scorecard to measure and monitor**

# Open Data, Open Knowledge, Open Solutions

## Open Data

- Over 4,000 development indicators free



## Open Knowledge

- Open to analysts -- PovcalNet; AdePT; Isimulate

## Open Forum

- Join the development conversation

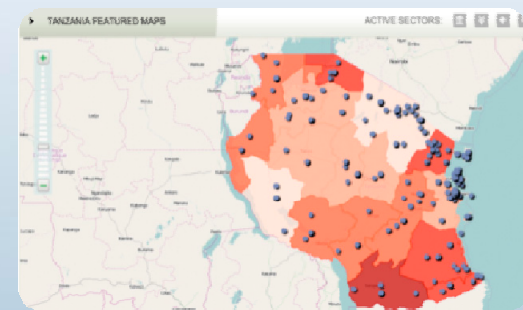


## Applications for Development Competition

- Solve development problems

## Mapping for Results

- Find project locations and see results



## 4. LOOKING AHEAD

AHEAD

# IDA: the WBG's Fund for the Poorest

**IDA helps the 79 poorest countries** (39 in Africa) to reach the MDGs

## **Unique strengths:**

- Demand driven, country-based model
- Help countries coordinate and target aid
- Multi-sectoral approach
- Support for capacity building
- Knowledge sharing and policy advice



## **IDA has developed dynamically:**

- 27 countries have graduated
- IDA donors increased from 17 to 45



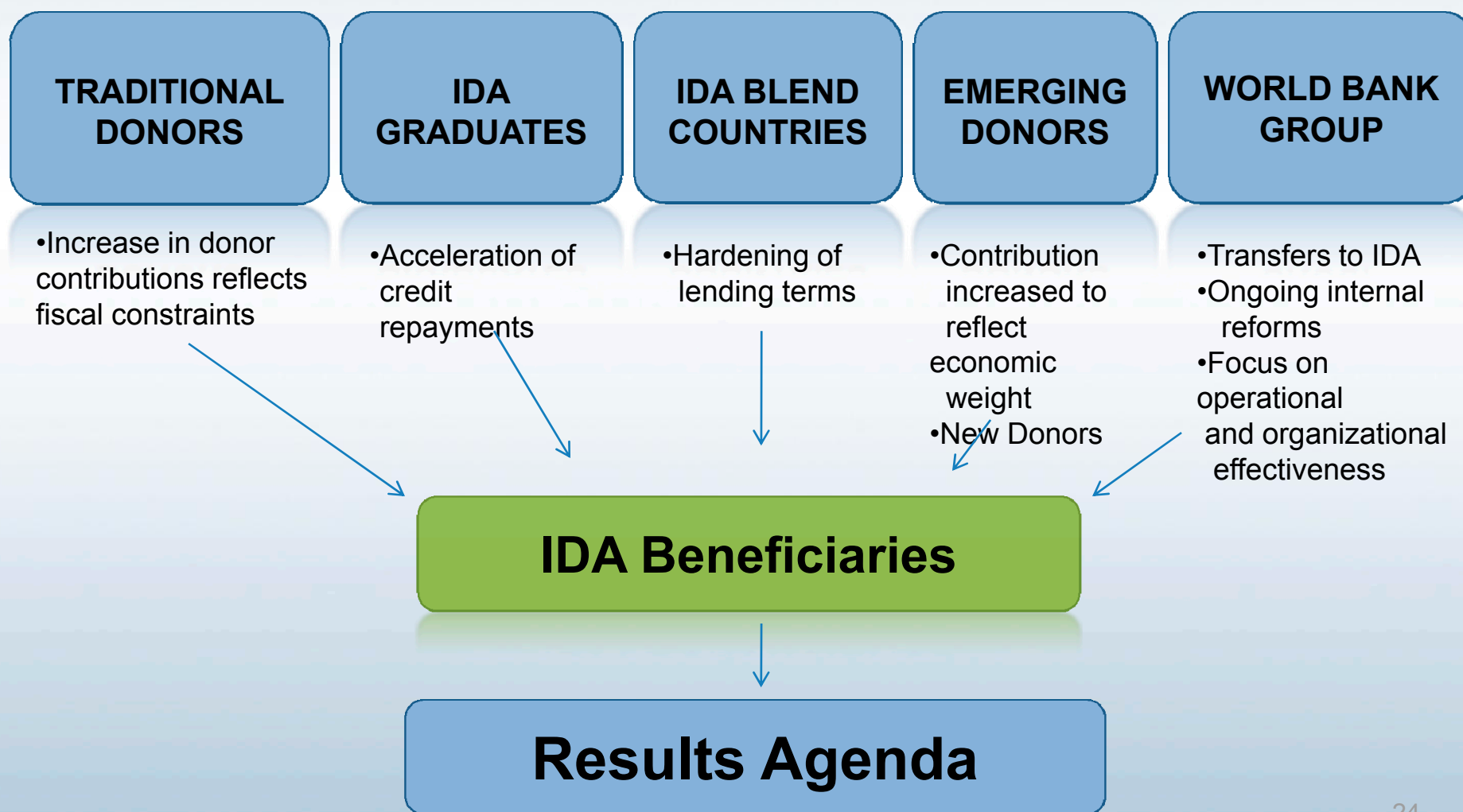
## **Focus on results:**

- First MDB to adopt systematic results measurement system
- Pilot innovative results monitoring approaches

**Key themes:** Gender, Fragile Situations, Climate Change, Crisis Response



# IDA16: Building a Global Coalition for an Ambitious Replenishment



# Challenges and Opportunities:

## Slow recovery, continued high unemployment

- Social pressures
- Demographic challenges
- Risk of trade tensions
- Budget pressures



## Need to rebuild buffers used in crisis

### Special attention to:

- Budget consolidation with protection for most vulnerable
- Investment in infrastructure for further growth
- Tools to better manage risks of natural disasters and external crises

## Food price volatility

- Global food security reforms
- Agricultural productivity and production



# Challenges and Opportunities:

## Developing countries as sources of growth

- Promote private sector investment
- Use of IFC Asset Management Company; new Equity Fund for SSA/LAC

## G-20 & G-187

- G-20 can help improve cooperation among major developed economies and emerging economies
- Needed for sustainable recovery; adjustments for balanced growth; global economic challenges
- But sensitivity of non G-20 countries
- Special attention to interest of poorer and smaller developing countries
- Role for WBG & IFIs: expertise; resources; policy innovations; connected to all shareholders



# On the horizon

Debt management

Bond market bubble?

Issues arising from search  
for yield?



# Possible Questions for the Development Committee

## Resilience

- Is our assessment of the external environment generally correct? Are there additional risks or opportunities we should be considering?
- What are developing countries' expectations for their external financing needs over the next 3 years – from securities markets, banks, FDI, & the IFIs, including the WBG?
- How can the WBG best assist in reducing the risks to growth and increasing prospects for a sustainable recovery?

## Results

- Is IDA's experience with tracking and reporting on development results a sound starting point for further work on measuring results?

## Reforms

- Would you adjust or qualify our principal areas of policy priority?
- What other steps or initiatives should we be considering to attract more private investment to developing countries and build their private sectors?
- What other advice might our shareholders offer on internal reforms and on governance agenda?

# Possible Questions for the Development Committee

## Looking forward

- What other steps should we – and possibly donors – take to achieve a successful IDA16 replenishment?
- What suggestions do G-20 and non G-20 members have for our effective support of that group and non-members?
- Do shareholders have recommendations regarding additional work the Bank should be pursuing on Agriculture and Food Security?
- What role would our shareholders like the WBG to be playing to support climate change financing in developing countries and to assist the UNFCCC process?

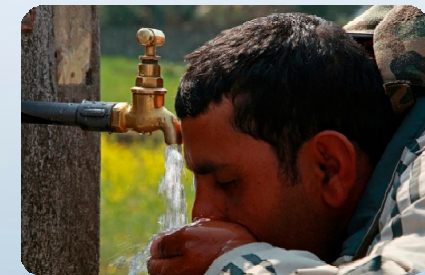




# Annex 1: IDA results

For IDA 12-15:

- 13 million **lives saved** through IDA
- 310 million children **immunized**
- 33.3 million mosquito nets purchased/distributed to **prevent malaria**
- 113 million gained access to an improved **water source**
- 2.5 million women given **antenatal care**
- 1.8 million health **personnel trained** to improve services quality
- Over 3 million **teachers** recruited
- Over 2 million **classrooms** built
- Over 118,000km **roads constructed** or rehabilitated
- **Public Sector management reforms** in 60% of IDA countries (IDA 14 & 15)





# Annex 2: IBRD Results

In the last decade:

- Over 20 million people gained **access to water** and 10 million to sanitation
- 100 million have **improved water resource management**
- Support to **telecommunications** sector in over 40 countries
- 2007-2009, over 40,000 km of **roads constructed or rehabilitated** and 40,000 km roads **repaired or maintained**



# Annex 3: The Reach of IFC's Projects

In 2009, our clients provided:

- 2.2 million **jobs**
- \$112 billion in micro, small, and medium **enterprise loans**
- 8 million patients with **health care treatment**
- 35 million people **with clean water**
- 29 million people with **power connections**
- 1.4 million students with **education services**





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