Statement by

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Treasurer of the Commonwealth

Australia

On behalf of the constituency comprising Australia, Cambodia, Kiribati, Korea (Republic of), Marshall Islands (Republic of the), Micronesia (Federated States of), Mongolia, New Zealand, Palau (Republic of), Papua New Guinea, Samoa, Solomon Islands, Tuvalu and Vanuatu

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We meet at a time when the global economy shows signs of a continued but possibly fragile recovery. Most advanced economies continue to face considerable fiscal pressures and developing economy growth is steady but vulnerable.

For developing economies, sustainable economic growth will require continued focus on addressing impediments to growth such as poor infrastructure and unfavorable investment climates. In this context, the World Bank Group must step up efforts to demonstrate its relevance and deliver development results.

At the same time, we must strive for greater efficiency to free up scarce resources for those most in need, and to improve the effectiveness of World Bank Group operations.

We also gather at an important juncture for this institution. At the Spring Meetings, the ambitious goals of eliminating extreme poverty and promoting shared prosperity were agreed. Realising these goals will involve a virtuous cycle where people are better off and we all benefit from countries that are stronger, more resilient, more inclusive and more productive. But these goals, with their prospect of a more prosperous future for the world, will be meaningless unless the strategy is actively pursued to achieve them.

We support the World Bank Group Strategy presented for endorsement because we believe it will transform the Group into a more effective development institution that can deliver on the goals.

Through better integrating its constituent institutions and better leveraging its global knowledge for local solutions, the World Bank Group can truly be an effective ‘Solutions Bank’; ensuring value for money; greater effectiveness and efficiency; and improving partnerships.

We welcome the Strategy’s emphasis on knowledge and partnerships. This will improve the World Bank Group’s capacity to contribute to the global development agenda and to work together with other important fora such as the United Nations and G20. We particularly encourage the World Bank to work with G20 members on the G20 agenda, under the Presidency of our constituency member, Australia. This should be done in close collaboration with the IMF, OECD and other international organisations.

We support the elements of the change agenda outlined – for example efforts to align policies and practices, to harmonise strategic planning and the budget and to improve leadership and human resource management. However, we are also keen to see the talk turned into real development gains which are
sustained over time. The foundations are there. It is time to move ahead with the changes that will lead to real improvements on the ground through practical action in areas such as procurement.

We know that there will be some tough decisions to be made and we encourage the World Bank management, together with its Executive Board, to move forward with doing what it takes to achieve a more innovative and effective institution.

One such issue will be the components of a new financial strategy to support the implementation of the World Bank Group Strategy and achieving the twin goals.

We understand the fiscal pressures facing many donor countries are unlikely to ease in the near future. IDA17 will require us to overcome resource constraints while maintaining momentum towards the long-term vision and goals that we have agreed. As part of an integrated package of World Bank Group interventions, a well-defined Global Infrastructure Facility – which has clearly stated objectives to overcome key impediments to investment, and that complements existing mechanisms and knowledge – has the potential to contribute to improved development outcomes.

In implementing the new strategy, the World Bank Group must not lose sight of the rich diversity of its members. Global aggregates should not be the only measure of success. The World Bank Group will need to keep a focus on small members too. Our constituency spans a vast area from landlocked Mongolia to the small island nation of Tuvalu, and we believe it is essential that the World Bank Group’s goals are inclusive of the needs of all countries. We would welcome, as implementation progresses, further detail on how the World Bank Group will adapt its new way of doing business to support the unique needs of small island states.

As well as implementing a new way of doing business, the World Bank Group needs to provide a smooth transition from existing arrangements and ensure delivery of current missions. This includes pursuit of the World Bank’s Gender Equality Agenda which recognises that gender equality, an important goal in its own right, is also ‘smart economics. We welcome the Gender Update, which highlights progress, as well as challenges to implementing this agenda. As a constituency we are well aware that there are significant development gains to be made from increasing gender equality and that improving women’s workforce participation has the capacity to raise economic prosperity and achieve inclusive growth. We encourage the World Bank Group to take further steps to support countries to address constraints to gender equality, including those relating to control of economic resources, for example through innovative analytical tools to support better policies and on the ground action.

Most importantly, we ask that the World Bank Group continues to show its commitment to the economic development of our constituency member countries. For many of our developing members, climate change and disaster risk management remain urgent priorities. There also remains untapped potential for private sector innovation and development for which we seek the support of the whole Group in order to encourage sustainable economic growth.

We welcome progress in delivering programs and operations to our members and look forward to constructive engagement with all members of our constituency over the coming months.

Finally, as shareholders, we must monitor and track the results of the Bank’s efforts. We welcome work on a Group-level scorecard so we can track progress towards implementing our goals. The world will not stay the same – and new challenges will emerge. So as it moves ahead with the changes to implement its new corporate strategy, the Bank also needs to ensure whole-of-Group processes are in place so evolving challenges which may hinder the achievement of the goals are identified and acted upon.