Statement by

H.E. Ahmed Bin Mohammed Al-Khalifa
Minister of Finance

Kingdom of Bahrain

on behalf of Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Maldives, Oman, Qatar, Syria, United Arab Emirates, Yemen
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On behalf of our constituency, I would like to welcome this timely discussion on the global post-crisis economic situation and ways of addressing these challenges by the One World Bank Group.

While we may feel that the global economy is taking a turn for the better, we need to be mindful of its slow recovery, particularly in some advanced economies. This will likely pose numerous challenges to growth in developing countries, especially for smaller and more vulnerable emerging economies.

In an increasingly interconnected global economy, developing countries need to focus on enhancing their systems to respond to external financial and monetary risks and internal macroeconomic vulnerabilities. The challenge here is to balance short-term risk mitigation and long-term interventions in a way that fosters stronger, more inclusive, and sustainable growth.

Long term growth is the aspiration of every country. However, in this “new normal”, we realize that attaining growth will be much more challenging than the pre-crisis period. Countries in the Middle East and North Africa region and elsewhere will need to tackle these challenges through an “inclusiveness and sustainability lens” and focus on designing and implementing productivity-boosting reforms grounded on structural and country-specific sectoral reform priorities.

These structural reforms, which are broadly dependent on resource availability, will focus on improving the enabling environment for business, strengthening trade regulations and practices, and providing reliable physical, technological, and financial infrastructure.

We emphasize the importance of human capital development as a key input to ensuring strong, inclusive, and sustainable growth. With increasing global youth unemployment rates concentrated in developing countries, strong action needs to be taken to ensure that every citizen has an opportunity to participate in the labor market.

Sustainable development should not be overlooked. We commend the World Bank for its efforts to mainstream disaster risk management. However, more should be done to ensure greater preparedness and resilience against natural shocks in all countries, particularly in low income countries and small states. Climate resilience is of similar importance. The Middle East and North Africa (MENA) region is vulnerable to climate change, countries are in need of broad and feasible mitigation and adaptation solutions that protect their development achievements and help realize the twin goals.
Growth should be shared within and between countries. Indeed, no country should be left behind, and no region should be left behind. Average growth rates in MENA will not exceed 3.6 percent in the coming three years and remain consistently below the needed 4 percent to reduce extreme poverty to 3 percent by 2030.

The deterioration in the economic situation and increased political instability in several Arab countries, has led to an increased sense of discouragement, especially among the youth. The situation calls for increased and coordinated action by the governments, in consultation with the World Bank Group and other international and regional partners, to create high quality jobs, develop the private sector, and build strong safety nets for those most in need.

To address these challenges, it will be essential for the One World Bank Group to be more selective, collaborative, and innovative in its forthcoming efforts.

The new Strategy, complemented by a record IDA replenishment, and numerous organizational changes, can enable the World Bank Group to provide quality and timely support to its client.

A unified World Bank Group approach to support the countries’ complex policy and financial problems will be vitally essential. We expect the new Country Engagement Model to increase its selectivity and understanding of country specificity. With the prime goal of increasing development results – driven by innovation in knowledge and instruments - more resources must be pushed to the field, and collaboration should increase with a wide range of organizations and partners.

The potential of a “new normal” of slow growth calls for accessible and advanced solutions by the World Bank Group. We expect increased innovation in the financial and non-financial instruments provided by IBRD, IFC, and MIGA. We also expect knowledge solutions to be well-rounded, drawing on the knowledge of the Global Practices and the five Cross Cutting Solutions Areas.

The “post-crisis” global economy poses a number of complex obstacles for all countries. We hope that the One World Bank Group can play a vital role in solving these obstacles and supporting its member countries achieve stronger, more inclusive, and sustainable growth.