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by
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(Mr. Wolfensohn participated by teleconference from Washington, D.C.)

MR. WOLFENSOHN: Hello, Mr. Chairman, ladies and gentlemen. It is a very great honor for me to be able to address this meeting, and I want to thank you, my dear friend, Shimon Peres, for the invitation, and also thank the Prime Minister and those organizing this event for the honor that you have given the World Bank in asking us to address this session.

I very much regret that I cannot be with you in person, but as I am sure you understand, there are a number of things going on in our world today which require me to be back in Washington, and much though I would like to be with you, I fear that I have to remain here.

The issue of economic harmony in the region is something that very dear to my heart and very dear to the heart of many of my colleagues, and in every way that we can, we have tried to demonstrate our belief that if there is to be peace, there must be economic progress.

Very simply, in our work in Gaza and the West Bank, we have sought to take a lead to help the people of that region, but because we know, as I am sure all of you know, that without economic hope, there cannot be any peace.

But it is not just for defensive reasons that we are doing it. We believe very much that in terms of the opportunities for the future, regional cooperation is essential to expand markets, to build links, and to allow the people of the region to settle into a period of optimism and growth which can be supported by all areas of society.

We have taken a number of steps, as you well know, Mr. Chairman, to try and work with regional interests to bring about economic development.

I recall very well last May the meeting that was held in Bethlehem with you, with President Arafat, under the auspices of Peres Institute and with the support of the Israel government to establish the Peace Technology Fund, an objective of $100 million to build a base which could be used to develop both human and real potential in Gaza and the West Bank for technology enterprises.
And I am very happy that since that time, we have been successful in getting very substantial funding and that that fund is already in operation. This is a remarkable example of how outside a process of peace, individuals from both Israel and from Gaza and the West Bank have come together in a common endeavor to develop economic enterprise, which itself will give hope to the people of the region.

We have also been very active and continue to be active in trying to develop other enterprises in the region. The Gaza Industrial Estates Project, which has been supported from Europe, as well as from local and international funds, is a project that quite properly is designed to expand Gaza and Israel to allow access from each side, to allow for industrial enterprises, to be grown and to flourish with the ability to trade on both sides of its fences.

This is a remarkable enterprise. It has not been easy. It has been fraught with issues of politics and security, but it is moving forward, and having seen it recently, I can say that it is one of the most modern enterprises of that type that I have seen anywhere in the world, a tribute to its sponsors and to those who are supporting it.

But beyond that, we have also in our enterprise, MIGA, our Multilateral Investment Guarantee Association, a subsidiary of the World Bank, put together an insurance fund of over $20 million to try and take some of the risk of investing in Gaza and West Bank off the backs of the investors, and that remains a facilitating mechanism to allow for investment in those areas.

And beyond that, too, we have established an investment fund for the communities which allows us to get down into the villages and the towns where citizens are able to choose their projects, and where small amounts of money can be used to generate vital enterprises.

But let me stand back for a minute and observe on the region. We at the Bank are not politicians. We are not able to enter the peace process, and in any event, it is probably beyond our competence, but what we are able to do is recognize the reality that in the region in general, including most importantly Jordan and hopefully other countries in the region, there is the opportunity for an internal market, there is an opportunity for trade, there is an opportunity for profit, and through that, an opportunity for employment, an opportunity for hope for people of the region.

As a financial and development institution, it is our very strong belief that if we can together work towards a unified market, if we can together bring about the dream of the privatization of peace, we will be on the most solid ground that we can for a better future for our children.

I assure you that we in the Bank are ready to play our full part. We look forward to learning from this conference. We look forward to meeting with you at this conference to determine ways in which we can be of assistance, and I can assure you that we will be unrelenting in our efforts to work with all of you to bring about a peaceful climate for
economic development, a climate for hope for all the people of the regions.

I wish you great success in your deliberations and can assure you of our continued support.