



2010
ANNUAL MEETINGS
International Monetary Fund
World Bank Group
Washington, D.C.

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Address by **ROBERT B. ZOELLICK**,
President of the World Bank Group,
to the Boards of Governors of the World Bank Group,
at the Joint Annual Discussion



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RESILIENCE, RESULTS, REFORMS

Addressing the Crisis and Beyond

Robert B. Zoellick

President, The World Bank Group

Plenary Session



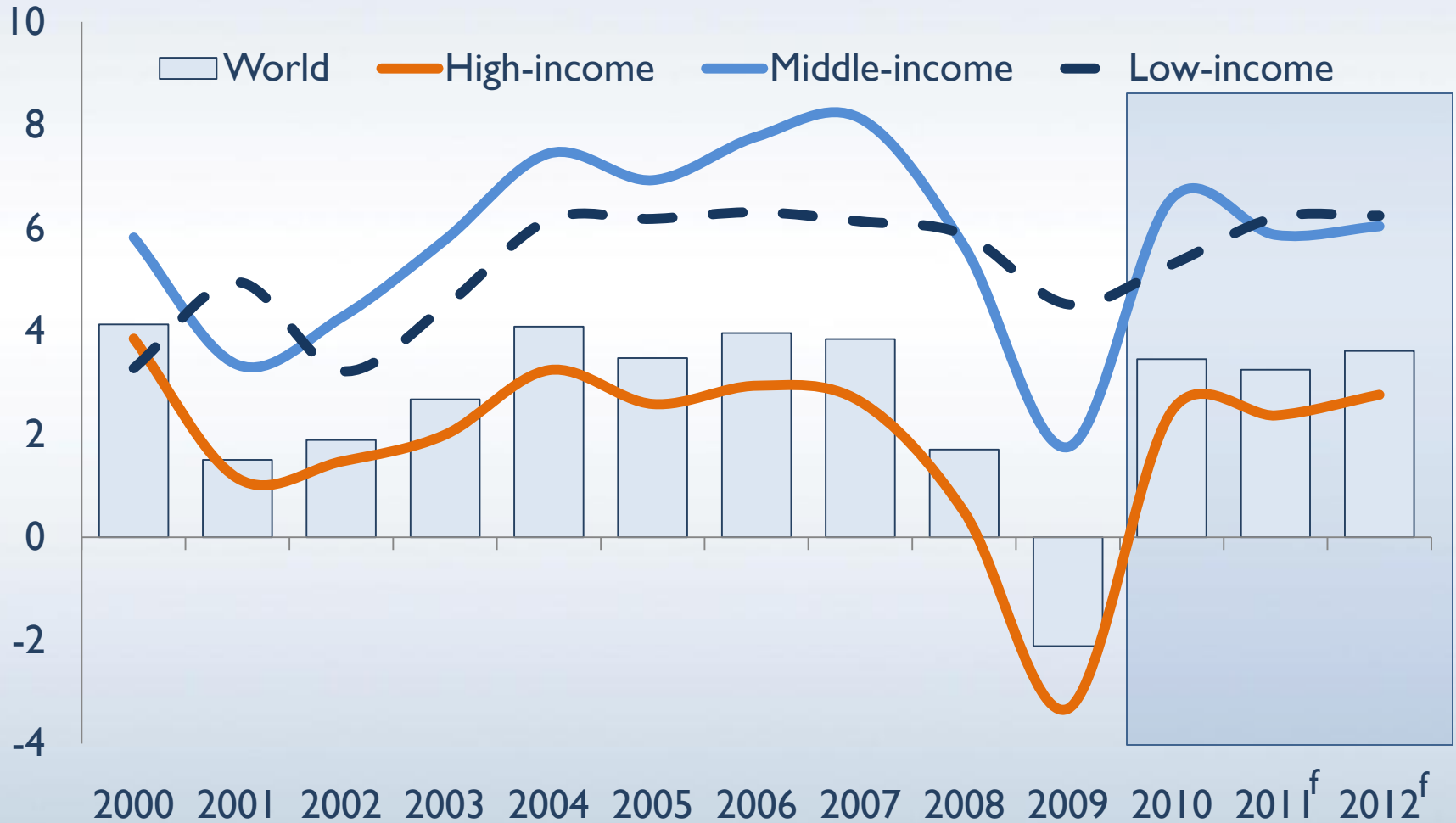
I. THE CRISIS TWO YEARS ON

TWO YEARS

GLOBAL GROWTH HAS RETURNED

but not strong enough to cut deeply into unemployment

Real GDP growth rates in percent

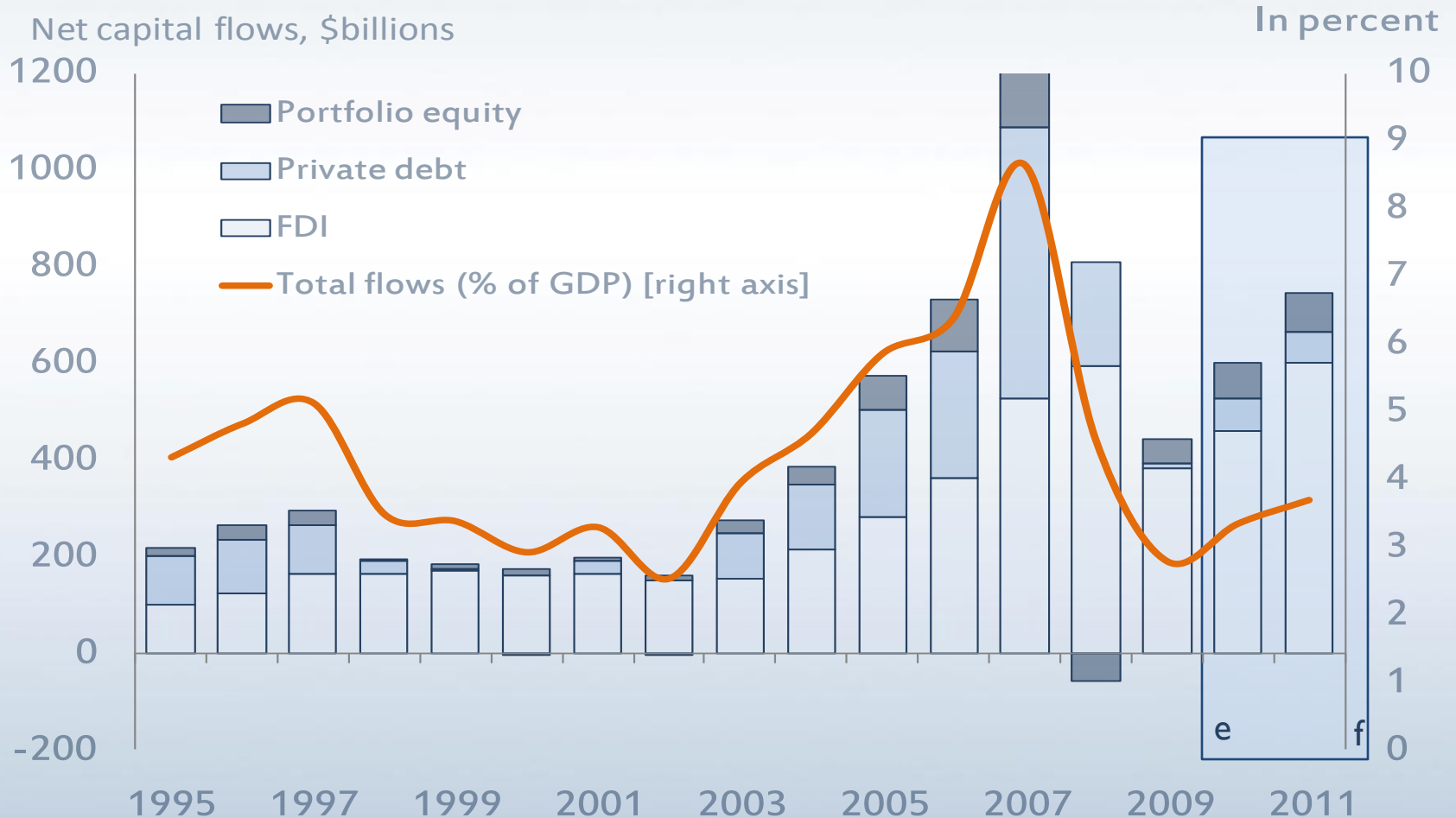


OUTPUT HAS NOT RECOVERED

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

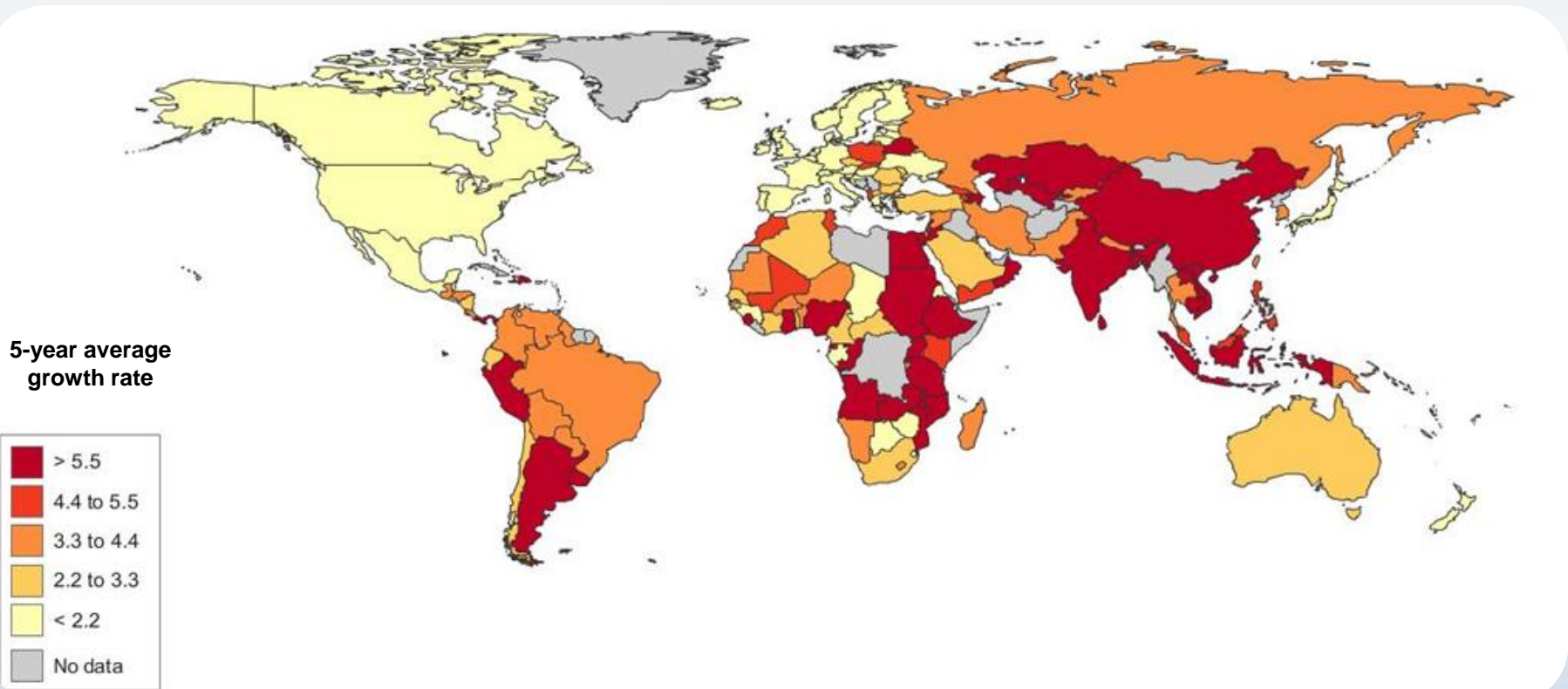


FDI AND BONDS IN EMERGING MARKETS HAVE REBOUNDED, but bank lending remains weak to the detriment of LICs



MULTIPLE POLES OF GROWTH ARE EMERGING

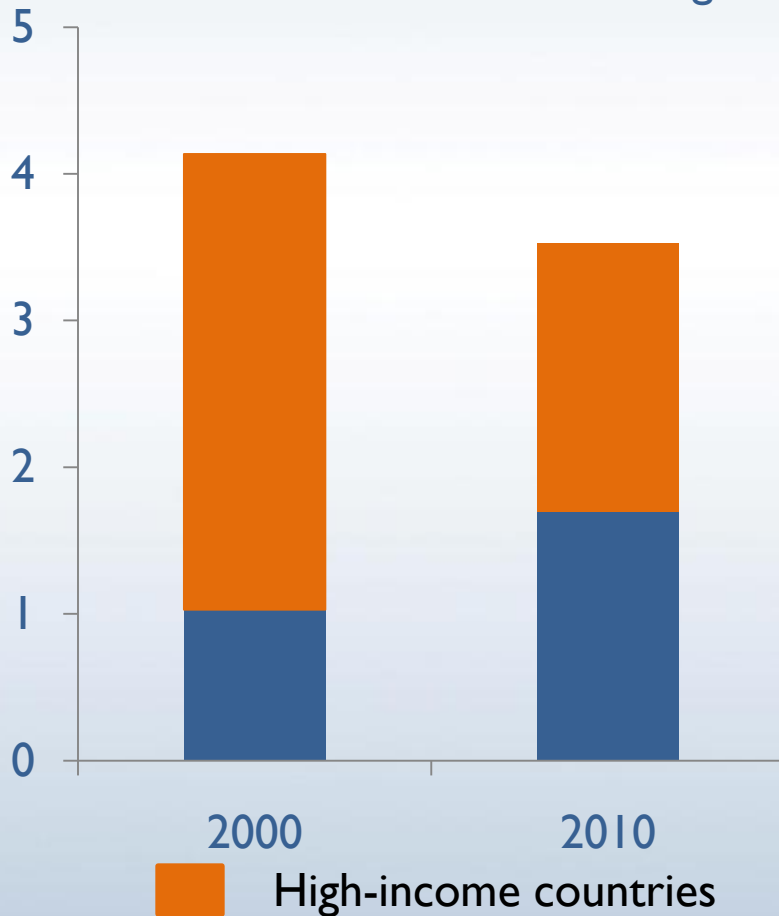
that can drive global demand



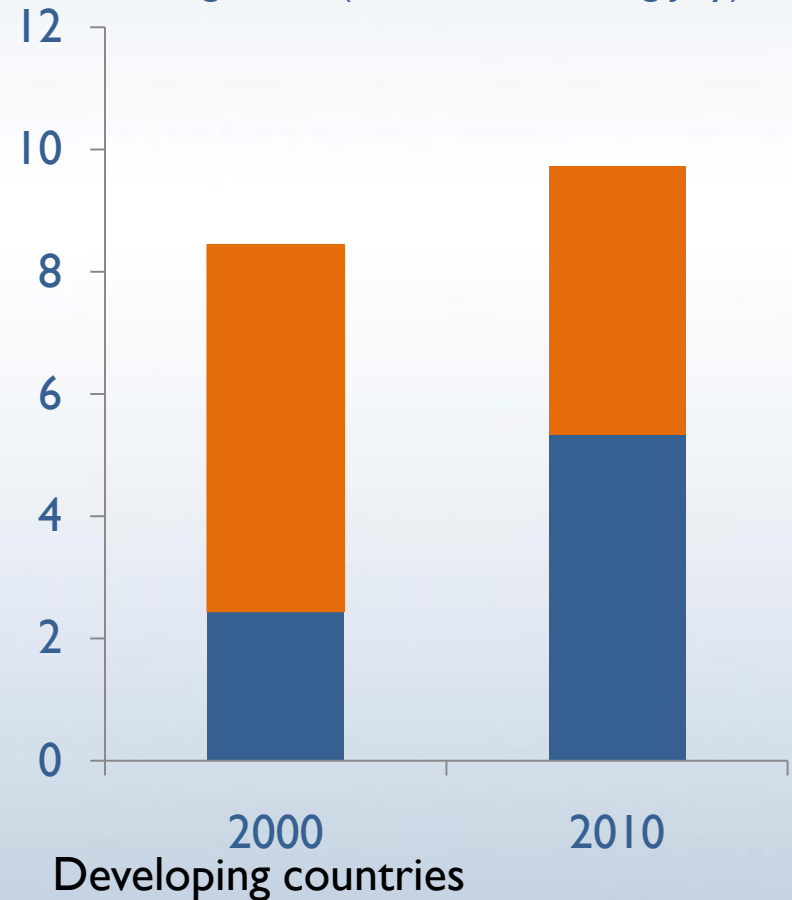
**Map of GDP growth (5-year averages)
2006-2010**

DEVELOPING COUNTRIES ARE INCREASINGLY an engine of global growth

Contributions to GDP growth

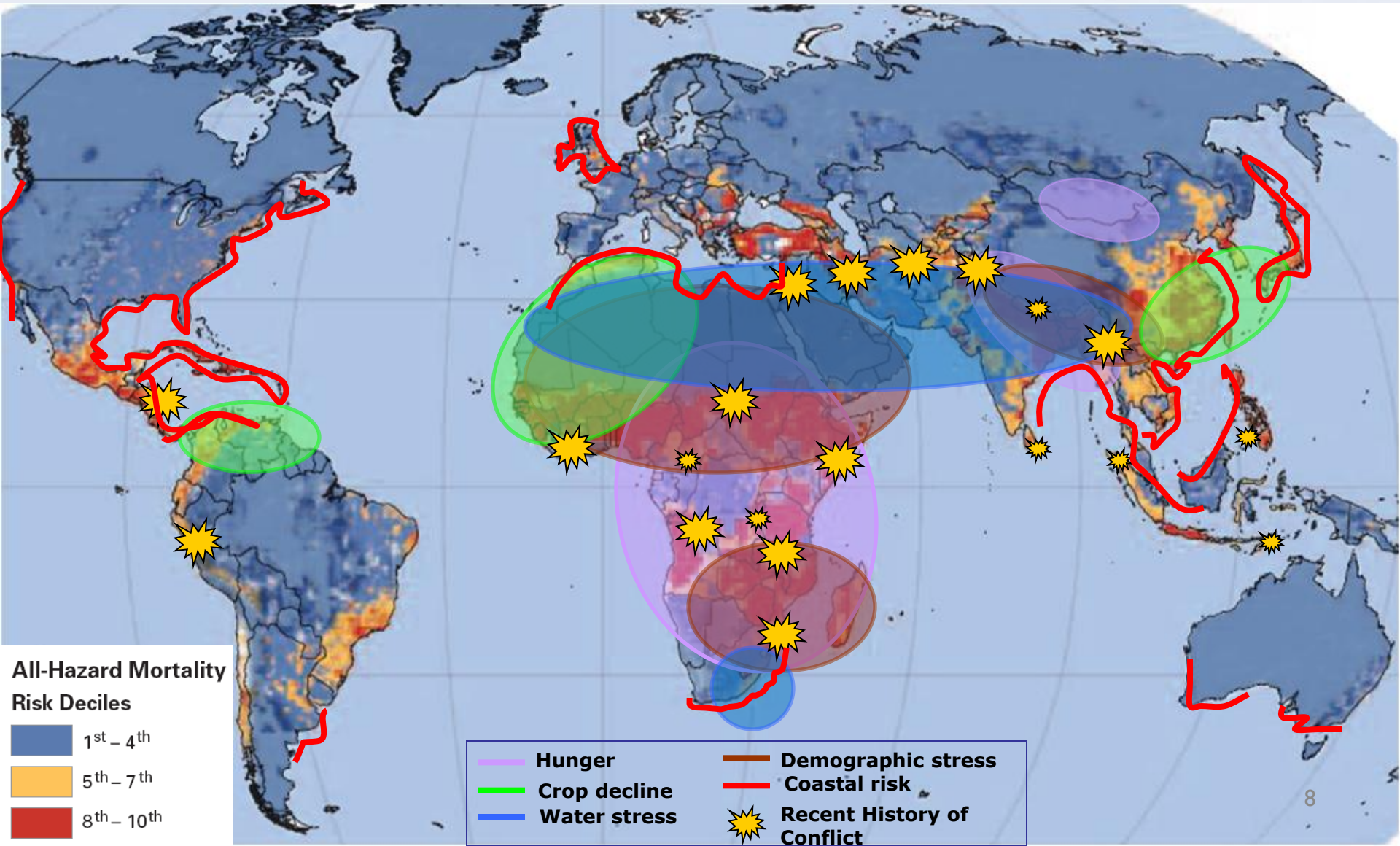


Contributions to global merchandise import growth (12 months ending July)



But countries face uncertainty given volatility and disasters

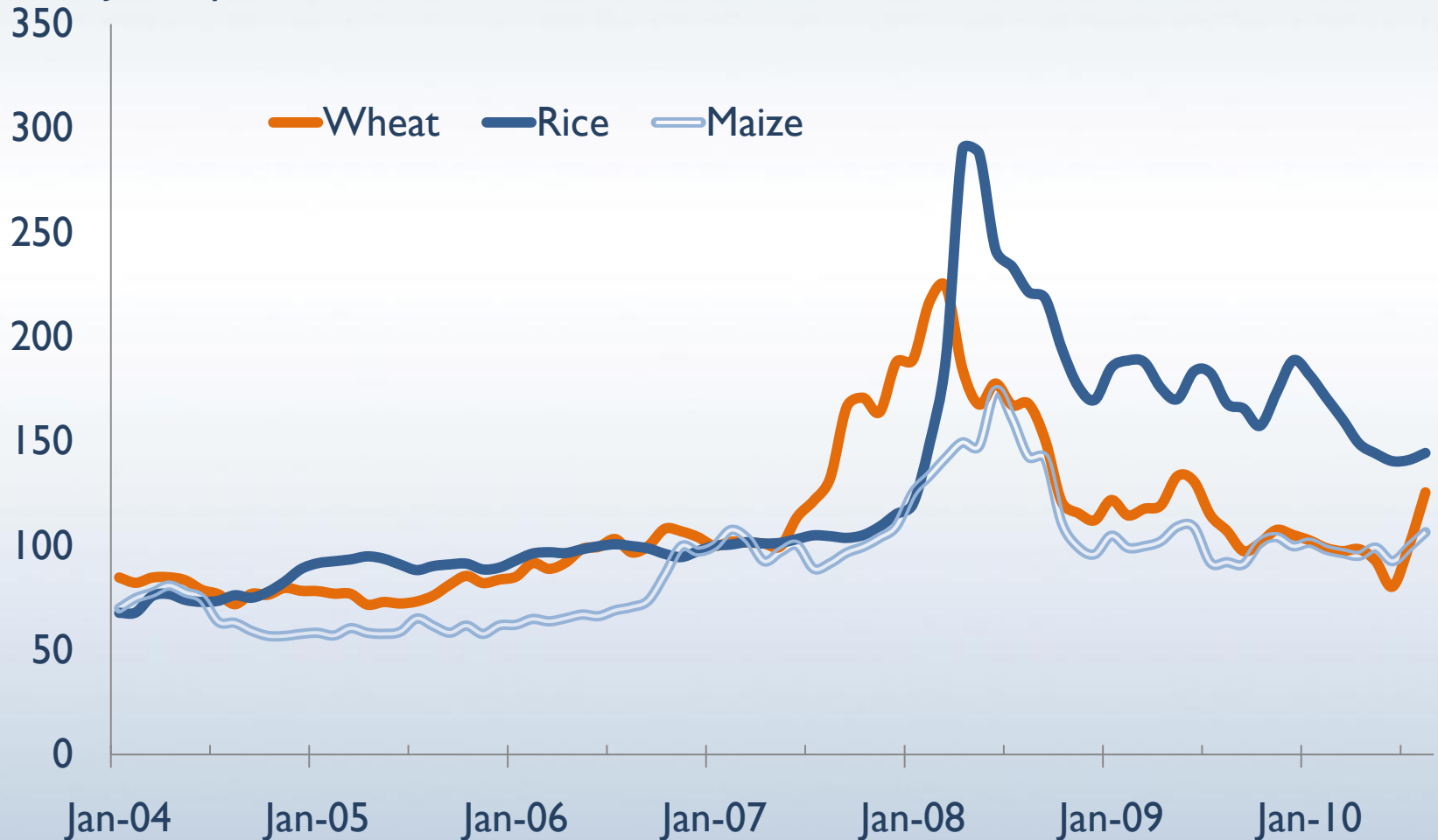
Natural Disaster Hotspots along with other environmental and social stress factors



VOLATILITY IN FOOD PRICES CONTINUES

and is a vulnerability for many countries

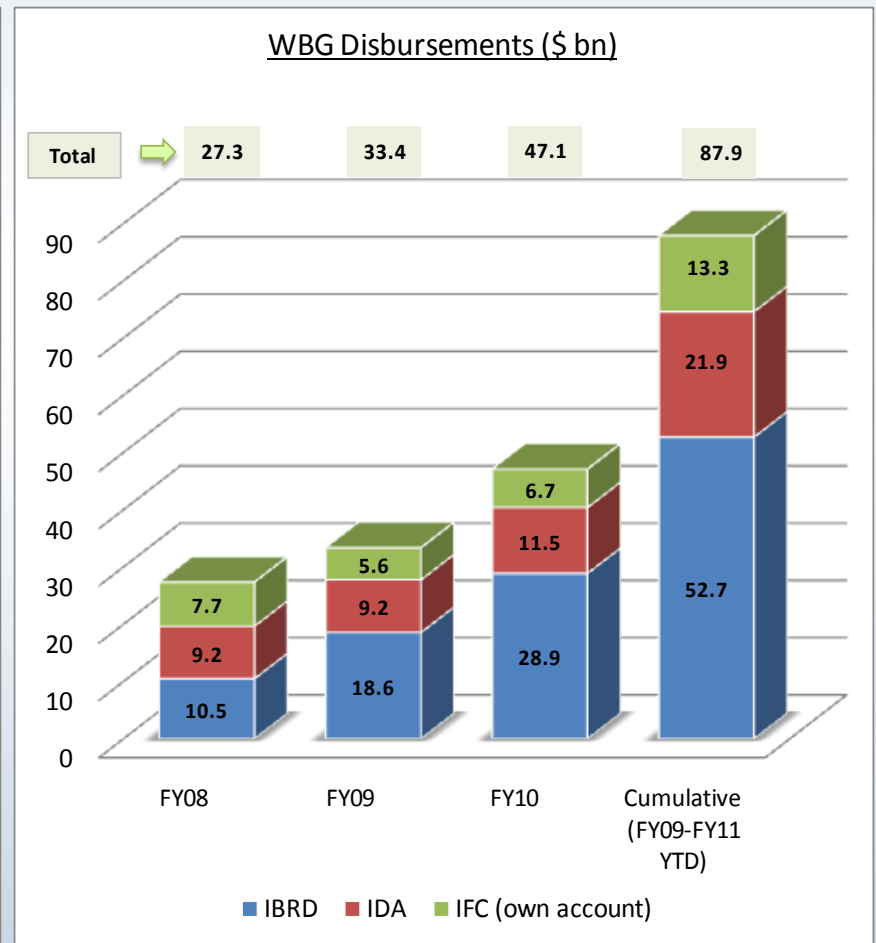
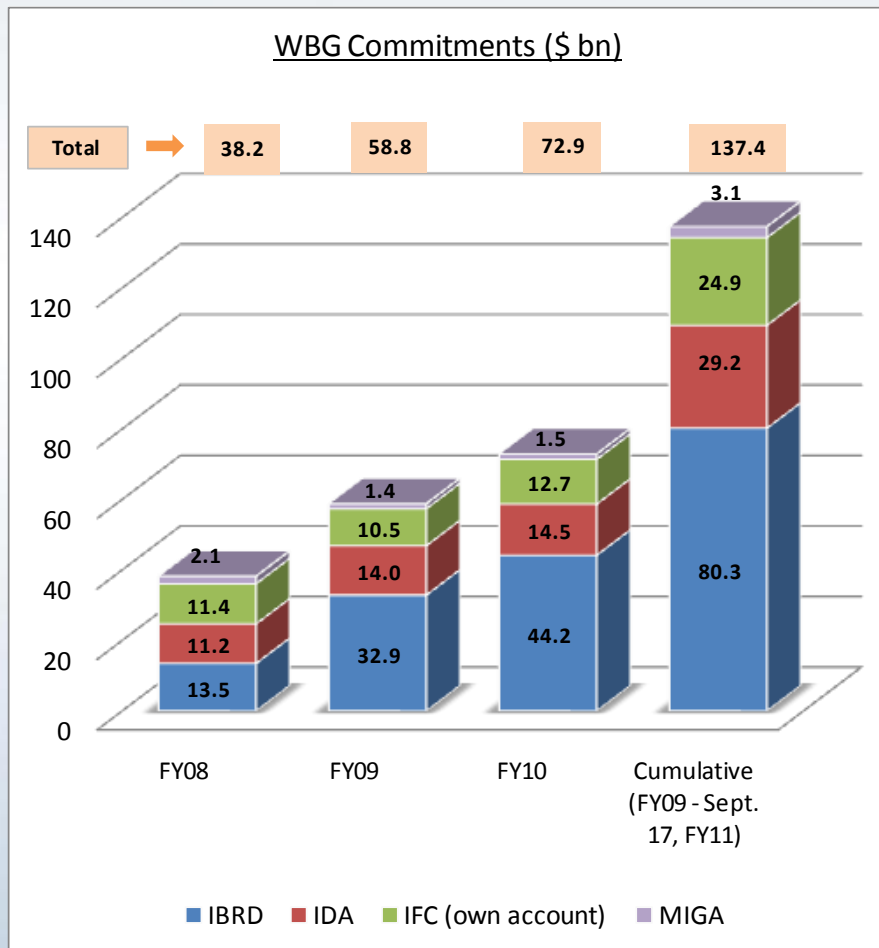
Price, January 2007=100



2. THE WORLD BANK GROUP'S RESPONSE

RESPONSE

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

2ECL0K

MIGA: FLEXIBILITY & NEW PRODUCTS

Financial Sector Initiative delivered
US \$1.5 billion in guarantees

6K0D0CT2

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



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 IDA 16
- WDR 2011 on Conflict, Security and Development



3. REFORMS TO LEVERAGE EFFECTIVENESS

EFFECTIVENESS

Reforms of Voice and Governance

Increased voting power of DTCs

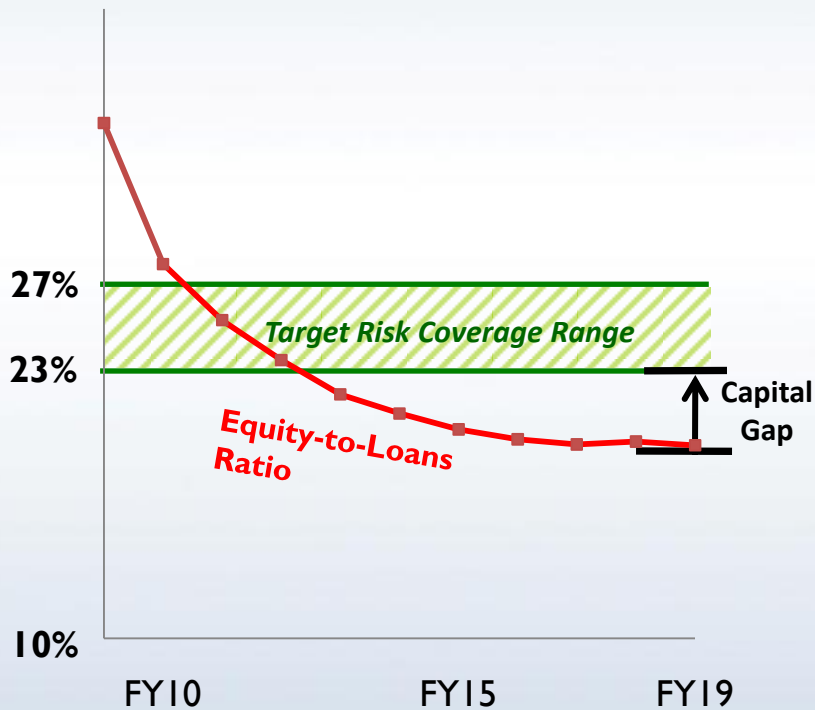
- IBRD to 47.2 percent, up 4.6 percentage points since 2008
- IDA to 46 percent, up about 6 percentage points
- IFC to 39.5 percent, up by 6 percentage points

New Chair for Sub-Saharan Africa November 1st

Increasing diversity in management

Implementation of Financial Package

Projected gap in capital backing loans



Spring package

General and Selective Capital Increases

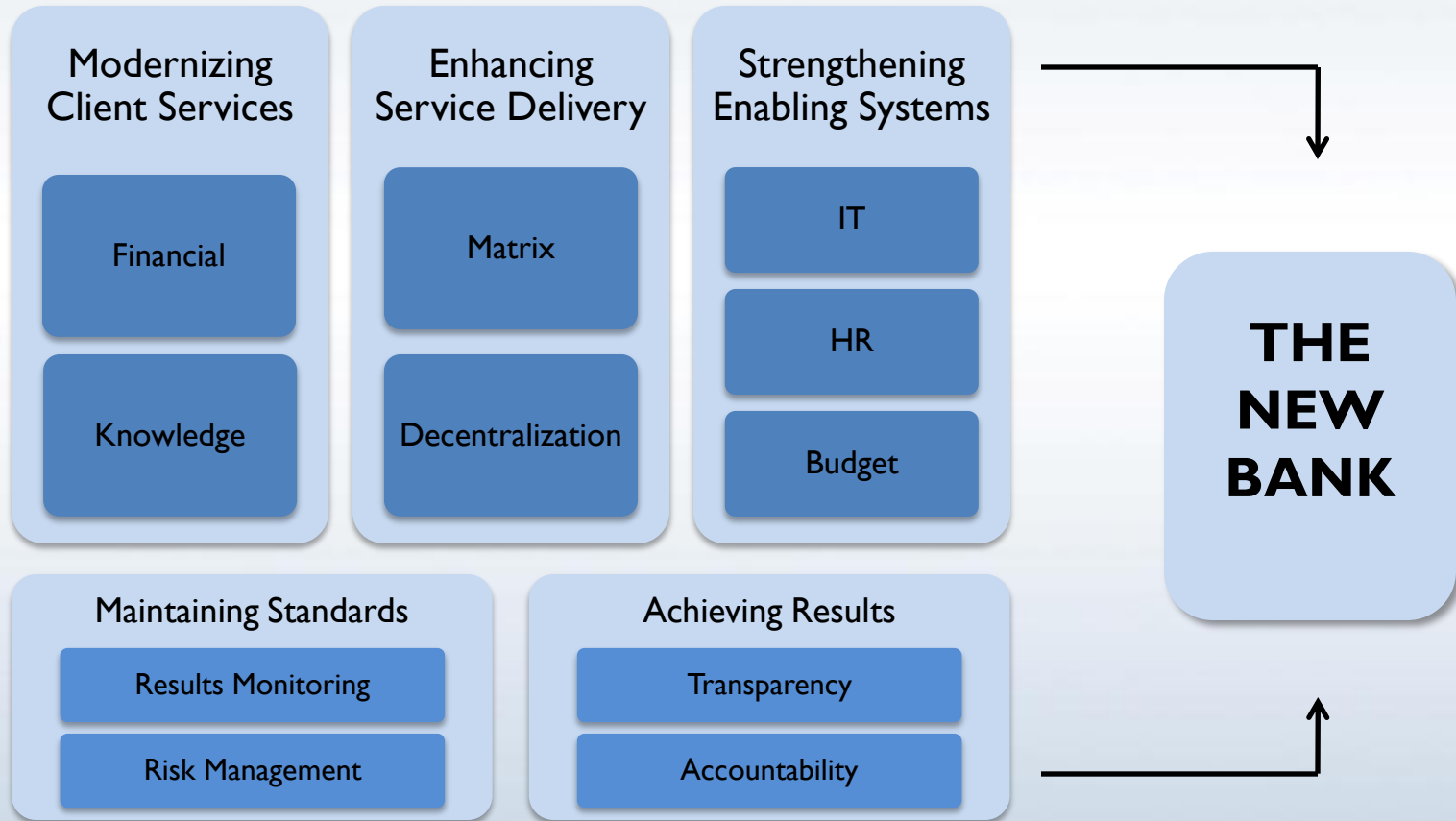
Reform of loan maturity terms

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

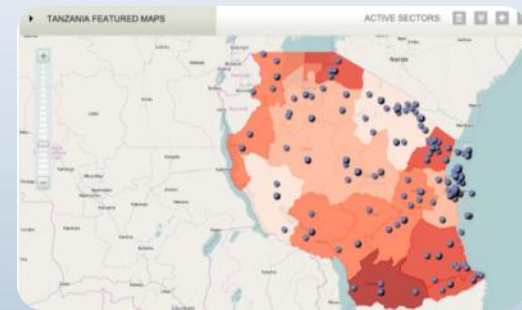
- Join the development conversation

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

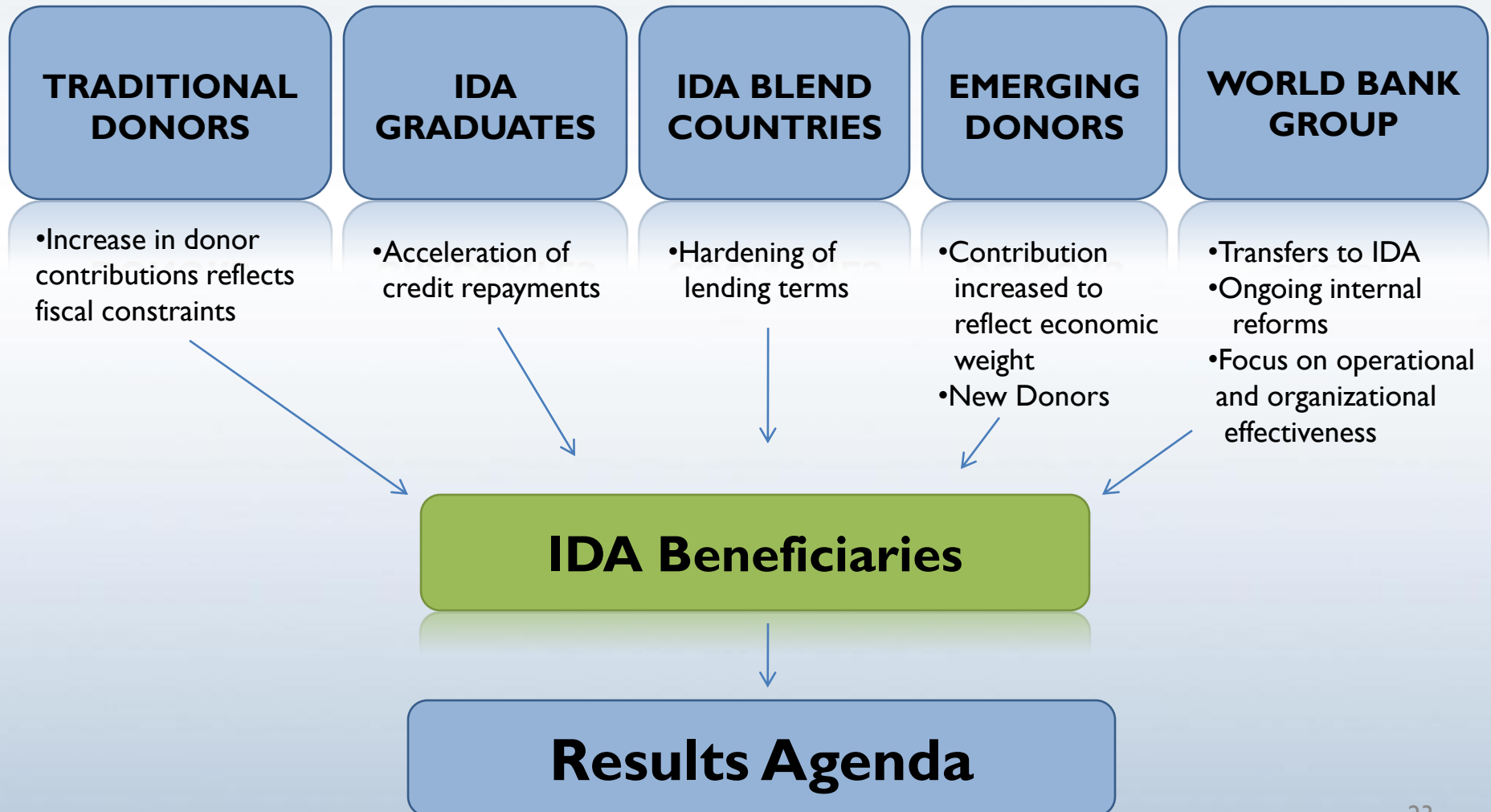


Focus on results:

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

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

IDA 16: 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-I87

- 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

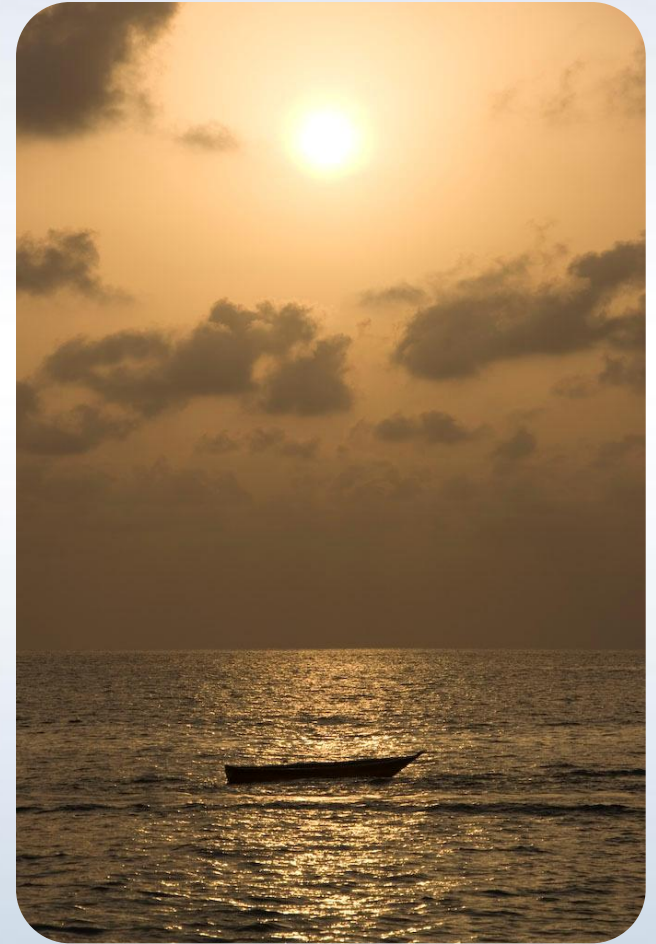


On the horizon

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 I: 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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