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Concluding Remarks by the Chairman, Hon. **KASPAR VILLIGER**,
Governor of the Bank and the Fund for **SWITZERLAND**,
at the Closing Joint Session

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Governor of the Bank and the Fund for Switzerland,
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My fellow Governors, once again we come to the end of our annual deliberations on issues that are having and will continue to have a profound impact on the lives of those we represent. Before we go our separate ways, let us take a few moments to review some of the many useful points that have been raised. Although a number of important issues were discussed over the last few days, several of them stood out and should be reiterated. They are related to the global economic outlook, surveillance, trade, the Millennium Development Goals (MDGs), and the Poverty Reduction Strategy process.

First, we expressed our optimism that the global economy appears to be recovering. However, we underscored that the recovery remains fragile and that uncertainties remain. Policymakers must continue to implement sound policies if the recovery is to take firm hold and confidence in the global economy restored. It is our shared view that each country should meet its responsibilities to ensure higher growth. In this regard, we noted the importance of reducing fiscal imbalances and pursuing structural reforms in a more vigorous manner.

Second, we emphasized the importance of strengthened and effective Fund surveillance to strengthen the resilience of the international financial system and promote sustainable growth. We identified a number of key issues that could improve the quality and effectiveness of surveillance, including looking more closely at progress on structural reforms and on the sustainability of medium-term frameworks; reducing vulnerabilities and improving debt sustainability analysis; and encouraging policy measures to reduce global

imbalances. We also further underscored the importance of increased transparency and greater candor in the IMF's advice to its members.

Third, on trade, we emphasized the role greater trade liberalization can play in raising global growth and reducing poverty. However, we regretted the slow progress in reaching a conclusion to the Doha Round, particularly the recent breakdown of talks at Cancún. We stressed the importance of greater flexibility and political will on all sides to get the Round back on track as soon as possible.

Fourth, we noted that progress toward achieving the Millennium Development Goals by 2015 needs to be accelerated. As discussed at Monterrey, this daunting task requires a well-balanced combination of good policies on the part of developing countries as well as increased resources from developed nations to finance growth, development, and poverty reduction. In this context, many of us stressed the importance of doing more to enhance the voice and participation of developing and transition countries in the decision-making of the Bretton Woods Institutions.

Fifth, and closely related to the MDGs, is the issue of the Poverty Reduction Strategy Paper (PRSP) process and the HIPC Initiative. Many of us welcomed the progress that has been made in making the PRSP process an effective vehicle for fighting poverty. However, there is still much room for improvement. Among other things, we suggested that poverty reduction strategies should include trade-related priorities and must be integrated in policy formulation and budget planning processes to be effective. We also said that it is important to monitor how the developing countries and the donor community are carrying out their respective roles in the implementation of the PRSP process.

More generally, we encouraged the World Bank and the Fund to collaborate more closely. This collaboration is already working well in many areas, such as in their work on post-conflict countries, providing valuable technical assistance, and their efforts to combat the threats posed by money laundering and the financing of terrorism. We also commended the World Bank for its Infrastructure Action Plan.

All of the issues that we have raised over the last few days, not only the ones that I have just mentioned, are important. They cannot and should not be ignored. We have developed various strategies over the past few years at Johannesburg, Monterrey, and Doha. What is left now is to implement them in a bold manner if we are to achieve the MDGs and successfully defeat what is probably our oldest and most difficult challenge, a significant reduction in poverty. Meeting the hopes that we have raised and delivering on our promises will require a concerted effort on all parts, developing, transition, and developed countries alike. Each of us is like a railroad car of a train trying to get to the top of a mountain. But, none of us can do it alone. Each of us, no matter how large or small, needs to act as a locomotive so that collectively we can generate the power necessary to reach the top. I call on each of you to exert the influence that you have in your capitals to encourage the cooperation and partnership that is so necessary.

My fellow Governors, I must thank you for your support during my tenure as Chairman of these meetings. I would also like to pay tribute to the leadership demonstrated by Mr. Wolfensohn and Mr. Köhler in positioning the Bank and the Fund to continue playing crucial roles in promoting macroeconomic stability and sustainable development, including

in post-conflict countries, such as Iraq and Afghanistan. We also appreciate the commitment and the dedication of the staffs of our two institutions in carrying out their vital work.

We express our deepest appreciation to Mr. Oforu-Amaah and Mr. Anjaria, as well as to the staff of the Joint Secretariat, particularly Ms. Patricia Davies, for the excellent arrangements for these Meetings. To the staff that was assigned to me in the Office of the Chairman, I say “thank you” for your valuable assistance.

On behalf of all of us, I express our sincere gratitude to the Dubai authorities and the government of the United Arab Emirates for hosting our Meetings in this vibrant city. In this regard, we must acknowledge the tireless efforts of the planning and organizing committee, Dubai 2003, for the excellent job they have done. We will not soon forget the warm hospitality and friendly reception that we received from everyone in Dubai.

I would like to congratulate the Governor of Singapore, who succeeds me as Chairman of the Boards of Governors. I also thank him for the kind words he has just extended to me.

Fellow Governors, I wish you safe travels home and I look forward to seeing you in Washington, D.C. next year.

