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Statement by the Hon. **OSSUR SKARPHÉDINSSON**,
Governor of the Bank for **ICELAND**,
on behalf of the Bank Nordic Countries

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Governor of the Bank for ICELAND,
on behalf of the Bank Nordic Countries**

On behalf of the Nordic and Baltic Countries I am honored to welcome President Jim Kim to the helm of the World Bank Group. The World Bank plays a crucial role in fostering sustainable and continuous economic growth to help developing countries fight against poverty and in addressing the most pressing development challenges of our times. We are confident that under your leadership the World Bank Group will continue to work relentlessly towards these goals in close cooperation with the international community at large. The Nordic and Baltic Countries are strong contributors and remain committed supporters of the World Bank Group, and look forward to working with you towards our shared goals of eradicating poverty through inclusive growth and promoting sustainable development.

These are challenging times and recent years have been characterized by turbulence and uncertainty in the global economy. Numerous countries, including my own, have struggled with great economic difficulties and have made hard choices in order to get on a road to recovery. During this time, the Bank has done a remarkable job of helping alleviate the effects of the crises and providing much needed financial support and policy guidance, including to the poorest and most vulnerable. Looking ahead, however, it is apparent that urgent challenges remain, and faced with limited resources, the Bank's capacity to prioritize, focus on comparative advantages and engage in partnerships will remain of paramount importance.

There are a number of pressing issues we would like to see the Bank Group focus on going forward. In line with the Bank's core mandate, a central focus should be placed on fostering **sustainable and inclusive economic growth**, in order to ensure that all people – men and women – in developing countries and societies have the opportunity to benefit from economic growth. This implies the necessity to work on enhancing **good governance**, distributional policies and transparency in the public sector, as well as providing a sufficient level of **basic infrastructure and social services**. This also calls for **strengthening the private sector** and improving the countries' opportunities to participate in global markets. And as we know, **job creation and increased labor market participation** is central in fostering economic growth and inclusion. In this regard, creating employment opportunities for youth is a critical issue in many parts of the world. We urge the Bank to turn the recommendations of both the WDR 2012 on Gender and WDR 2013 on Jobs into reality.

In this context we want to underline the importance of gender equality and that it should be a strategic priority for the World Bank Group. Gender equality is an important goal in itself, but also strongly supports inclusive growth. Accordingly, it has to be integrated into all of the Bank's operations and analytical work. We would also like to emphasize the importance of creating jobs and promoting labor market participation of both men and

women in order to foster inclusive and sustainable economic growth. While we congratulate the Bank for the progress made in a number of areas, such as increased gender-informed lending, we also note the Bank's acknowledgement of limited results on the ground and its recognition of the fact that investments must be made in knowledge and data to ensure that teams can work more effectively with gender equality issues in operations.

The Nordic and Baltic countries have always emphasized the importance of cooperation and collective action to confront the development challenges we face. Together we can make our efforts translate into better, more sustainable results. In today's evolving economic landscape and development architecture partnerships are needed if we want to achieve sustainable development and growth. We expect the World Bank Group to initiate and engage actively in such partnerships. The Bank has unique tools to do so through its platform role on the local level and, its extensive convening power at the global level.

Furthermore, the Bank's ability to promote and participate in partnerships with different but complementary actors such as the United Nations funds and programs, other multilateral organizations and bilateral development partners, is pivotal for promoting sustainable development. In this regard we encourage a continued strong focus on food security issues, natural resource management and also added investment in renewable energy and energy efficiency in close cooperation with partners. Also, as 2015 draws nearer, we urge the Bank to actively contribute to the work on the Sustainable Development Goals and the elaboration of the post 2015 development framework.

We welcome the World Bank Group's increasing focus on fragile and conflict affected states. The World Development Report 2011 on Conflict, Security and Development was important in this regard, and we need to build further on its lessons learned. However, we also need to find new and more innovative ways of engaging with fragile and conflict affected states in order to bring about transformational and lasting change. In this regard it will be important to improve how we assess, manage and communicate risks, and we believe the forthcoming WDR 2014 will contribute to this end.

As one of the world's premier development institutions the World Bank needs to be **agile, action-oriented** and **results-minded** to remain relevant and effective. An overall strategy, which encourages prioritization and selectivity is crucial to that end, but so is promoting a culture of results. We welcome the advances made on internal reforms, including transparency and accountability, modernization, as well as the results agenda and openness policy of the Bank. At the same time we emphasize that the Bank needs to work on improving and building on such reforms, refining its toolkits and find ways to transform knowledge into action and lasting results on the ground. Furthermore, and especially during these uncertain times and tighter national budgets, fully exploiting synergies within the Bank and more close coordination among other international financial institutions, the United Nations funds and programs and other development actors is crucial. This, of course, implies capitalizing to the fullest extent on the Bank's

considerable powers of leveraging other sources of financing to development, in order to complement limited resources.

Finally, as we commence the IDA 17 replenishment, we urge all of us to approach it with ambition and resolve. We need a concerted effort from all, traditional and emerging donors alike, as well as from the World Bank Group if we are to effectively address the acute needs of the poorest.