



Moscow International Conference

Keynote Speech

February 17, 2010

by

Axel van Trotsenburg

Vice President for Concessional Finance & Global Partnerships (CFP)



THE WORLD BANK

Agenda

1. Setting the Context
2. The role of New Development Partners (NDPs)
3. Working with Multilateral Organizations
4. Managing for Results
5. Final Remarks: Way Forward

1. Setting the Context



- The world economy is more interconnected: global problems call for global solutions
- Development challenges in 21st Century
 - Poverty; Millennium Development Goals
 - Climate change; recurrent crises
- Economic growth and development rely on private investment, trade, capital flows, etc.
- Official development finance critical, particularly in poor countries where private capital is limited

2.The Role of New Development Partners



- **Who are the “New Development Partners”**
- The term encompass a **diverse** group of countries, for example: EU new member states; Arab countries; so-called BRICs
- Dynamic evolution of **global aid architecture**
 - **Traditional DAC donors:** ODA \$121.5 billion in 2008
 - Gleneagles commitments to scale up aid
 - Aid Effectiveness Agenda: From Paris and Accra
 - **New actors:** several private foundations, hundreds of NGOs, and over 30 new bilateral donors

2.The Role of New Development Partners



- New development partners bring **additional** resources; and relevant **development experience**
 - Volumes estimated at \$12-15 billion in 2008 and growing
 - New approaches: e.g., South- South cooperation based on mutual benefit and learning
 - Focus on poor countries across regions
 - Complementary investments in key sectors

2.The Role of New Development Partners



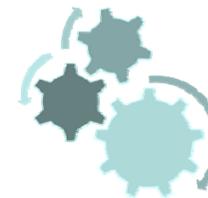
- Challenges:

- Aid fragmentation, multiplicity of channels
- Significant earmarking
- Terms of assistance and debt sustainability
- Limited information and knowledge sharing
- Coordination global and national levels

- **In sum:**

- Build on diversity and make aid it more effective
- Despite different approaches shared objective: improve **results** on the ground
- The **multilateral system** can help

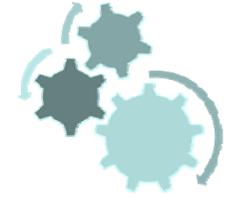
3. Working with the Multilateral System



Share of aid channeled multilaterally

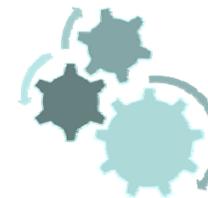
- **Traditional DAC donors:** 30 % multilateral; around 40% including trust funds
- **NDPs:** On average 18%, but wide range
 - EUNMS: 50-90%, notably EC
 - Arab countries: less than 5%
- **Main channels:** WB, UN, RDBs, EC, GFTAM

3. Working with the Multilateral System



- **The multilateral system can help**
 - Reduce fragmentation
 - Facilitate knowledge sharing
 - Support dialogue and cooperation at country and global levels

3. Working with the Multilateral System



World Bank Partnerships

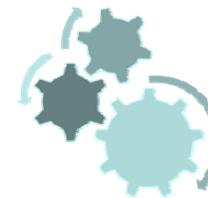
IDA: Global platform for assisting 79 poor countries

- Members increased from 18 to 45; 22 NDPs
- Performance based allocation linked to results
- Provided over \$210 billion since 1960

NDPs: Growing memberships and contributions

- About \$7 billion cumulatively since IDA
- Top 5: S. Arabia, Korea, Kuwait, Brazil, Russia
- **IDA 15:** About \$ 1 billion (2% of total)
 - Six new members: China, Latvia, Estonia, Lithuania, Cyprus, Egypt

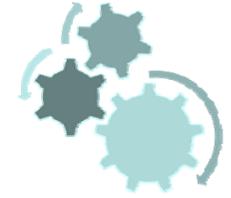
3. Working with the Multilateral System



South-South Experience Exchange

- Demand has greatly increased for knowledge exchanges among countries along the development spectrum (low and middle-income countries).
- World Bank is piloting “South-South Experience Exchange Facility” -- new trust fund launched last year; donor pledges from Denmark, UK, Mexico, Spain, China, Netherlands, and India.
- Typical example: South Caucasus Asian Study Tour for Transport Agencies, for Armenia, Azerbaijan, and Georgia, working with China and Philippines.

3. Working with the Multilateral System



Message:

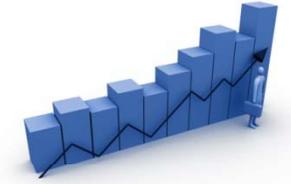
- Multilateral system provides a broad-based platform to address challenges
- Demonstrating **results** remains a challenge for both bilaterals and multilaterals
- What can we learned from each other to focus on and to communicate results?

4. Focusing and Showing Results



- **Management for “Results” a shared and central challenge for donors and recipients**
 - Development is a multi-sector effort
 - Issues of measurement and attribution
 - Even when funds are earmarked attribution still a problem
- **WB Management for Results:** self and independent evaluations, results frameworks, results measurement, staff incentives
 - **IDA Results Measurement System**
 - Tier 1: Country level
 - Tier 2: Project level

4. Focusing and Showing Results



- **Communicating results also a challenge**
 - Reaching public opinion
 - Key constituencies: parliaments and civil society in donor and partner countries
 - Branding is an issue
 - Use of multi-media

Message:

- Partner countries the ones in driver seat, we as donors are only complementing their efforts

5. Final Remarks: Way Forward



- The global aid architecture is no longer an exclusive club of high-income countries and has become truly globalized
- Challenge is to build on this diversity to tackle poverty and make progress on MDGs
- This Moscow Conference offers an excellent opportunity for deepening the debate on how to move forward
- Look forward to continuing the debate and future meeting be hosted by another new donor.