



## Moscow International Conference

### Keynote Speech

February 17, 2010

*by*

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THE WORLD BANK

# Agenda

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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

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- The world economy is more interconnected: global problems call for global solutions
- Development challenges in 21<sup>st</sup> 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

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- 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

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- Challenges:

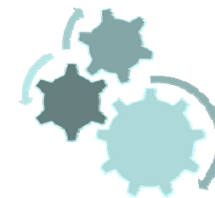
- Aid fragmentation, multiplicity of channels
- Significant earmarking
- Terms of assistance and debt sustainability
- Limited information and knowledge sharing
- Coordination global and national levels

- **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

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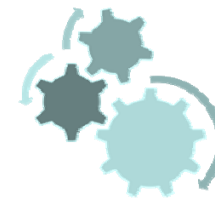


## Share of aid channeled multilaterally

- **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

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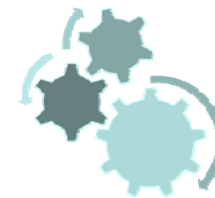


- **The multilateral system can help**
  - Reduce fragmentation
  - Facilitate knowledge sharing
  - Support dialogue and cooperation at country and global levels



# 3. Working with the Multilateral System

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## World Bank Partnerships

**IDA:** Global platform for assisting 79 poor countries

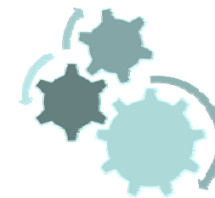
- Members increased from 18 to 45; 22 NDPs
- Performance based allocation linked to results
- Provided over \$210 billion since 1960

**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

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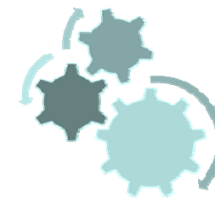


## South-South Experience Exchange

- 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

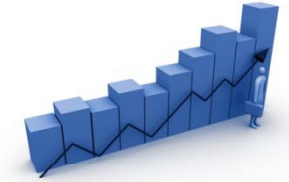
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## Message:

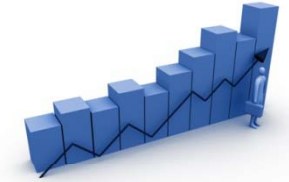
- Multilateral system provides a broad-based platform to address challenges
- Demonstrating **results** remains a challenge for both bilaterals and multilaterals
- What can we learn from each other to focus on and to communicate results?

## 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

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- 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.