



# DEVELOPMENT COMMITTEE

JOINT MINISTERIAL COMMITTEE  
OF THE  
BOARDS OF GOVERNORS OF THE BANK AND THE FUND  
ON THE  
TRANSFER OF REAL RESOURCES TO DEVELOPING COUNTRIES



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## DEVELOPMENT COMMITTEE COMMUNIQUE

1. We met today to discuss future challenges for development and an action plan for universal primary education.
2. We welcomed the very important progress achieved in the Monterrey Consensus laying out a new partnership compact between developed and developing countries, based on mutual responsibility and accountability, to achieve measurable improvements in sustainable growth and poverty reduction. We recognized the efforts of the World Bank and the IMF, working together with the UN, in contributing to this result. We look forward to their continuing collaboration and to strengthening this new partnership as we work towards a successful World Summit on Sustainable Development.
3. This new partnership for development recognizes that country-owned and driven development strategies embodying sound policies and good governance have to be the starting point. Such strategies need to be supported by increased and more effective development assistance and by greater efforts to integrate developing countries into the global economy. We are committed to the implementation of these strategies and partnerships, such as NEPAD, as part of the scaling up of activities that is necessary for implementing the Monterrey Consensus and to meet the Millennium Development Goals<sup>1</sup>; we will regularly review progress at future meetings. We welcomed the pledges made at Monterrey by a number of donors to increase their official development assistance.
4. The CDF/PRSP approach is increasingly providing a common foundation for implementing the new partnership at the country level. While recognizing that scope for improvement exists, we shared the positive assessment of implementation to date, particularly in enhancing ownership. We look forward to continued progress in extending the participatory processes for

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<sup>1</sup> From the U.N. Millennium Declaration, endorsed by Heads of State and Government in the U.N. General Assembly on September 8, 2000.

the elaboration and monitoring of PRSPs, implementing pro-poor growth policies, enhancing collaboration to strengthen public expenditure management and to improve poverty and social impact analysis; and, amongst multilateral and bilateral development agencies, in better aligning their programs with country strategies.

5. We reaffirmed our strong support for the current work program to harmonize operational policies and procedures of bilateral and multilateral agencies so as to enhance aid effectiveness and efficiency. We committed to further action in streamlining such procedures and requirements over the period leading to the high-level forum scheduled for early 2003.

6. Evidence demonstrates that effective assistance in support of good policies and institutions can bring important development benefits. More attention should be given to the building of institutions and capacities as well as the timing and sequencing of the reform process. We underlined the importance of an enhanced focus on results that can be used by countries in designing and implementing their strategies, and by donors and development agencies in scaling up and allocating their support. We asked the World Bank to report to us at our next meeting on its efforts in this respect. We would also welcome a report on efforts underway to engage more effectively with weak-performing low-income countries.

7. Economic growth requires a strong and vibrant private sector and an enabling climate that encourages investment, entrepreneurship and job creation. However, it is not enough to strengthen the private sector in developing countries without further progress in integrating them into the global trading system. We thus strongly endorsed the call at Monterrey for coherence between development assistance and trade policies. We urged an acceleration of efforts to lower trade barriers (including trade distorting subsidies) and we called upon the Bank and others to provide more support in helping developing countries address policy, institutional, social and infrastructure impediments limiting their ability to share in the benefits of trade.

8. Education is one of the most powerful instruments for reducing poverty. We strongly endorsed the action plan presented by the Bank as a basis for reaching international consensus to help make primary education a reality for all children by 2015. We appreciated in particular that the action plan is consistent with the new partnership for development based on mutual responsibility and accountability. We called on the Bank to continue to work in partnership with UNESCO and other relevant agencies. We encourage all countries to place education at the heart of their poverty reduction strategies, reform their education policies to achieve Universal Primary Completion and monitor progress towards the 2015 education goals in line with an enhanced focus on results. We committed ourselves to work together in a much more coherent way to help bring this about and to provide the necessary additional domestic and external resources. The Bank and all other stakeholders should strengthen their efforts to achieve the MDG on gender equality in primary and secondary education by 2005. We will review progress at our next meeting.

9. We reviewed and welcomed the steady progress that has been made on the HIPC initiative. We remain committed to its vigorous implementation and full financing. Our objective remains an early and enduring exit from unsustainable debt for HIPC countries. We noted that within existing guidelines, additional relief can be provided at the completion point, on a case-by-case

basis. Success will require a sustained commitment by HIPC countries to improvements in policies and debt management and by the donor community to continue to provide adequate and appropriate concessional financing. We will discuss the issue of debt sustainability and, consequently, financing and policy implications, at the next meeting.

10. Finally, we reviewed a progress report on anti-money laundering and combating terrorist financing. Recognizing the serious risks posed by these activities, we welcomed the action plans agreed by the Bank and the Fund and the enhanced collaboration with other institutions. We encouraged the Bank and Fund to continue to integrate these issues into their diagnostic work in line with their respective mandates, and urged that capacity building assistance be increased so that countries could better address these issues.

11. The Committee's next meeting is scheduled for September in Washington.