

FOR IMMEDIATE RELEASE
DATE: OCTOBER 20, 2007
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DEVELOPMENT BANKS COMMIT TO CLOSER COLLABORATION WORKING IN FRAGILE SITUATIONS

At a meeting held today, the Heads of Multilateral Development Banks discussed options for deepening their collaboration and strengthening their engagement in fragile situations. The Heads of MDBs issued the following statement:

“Addressing fragility is one of the highest priorities of the development community. Fragile situations undermine the development prospects of individual countries and can also affect regional stability and security.

The MDBs have been engaged actively in situations of fragility and conflict from Afghanistan to Aceh, the Balkans, the Great Lakes region of Africa, Haiti, Liberia, and Timor-Leste—financing infrastructure and basic service delivery through the state and local communities; supporting economic recovery and macro-stability, private sector growth, and job creation; and strengthening governance and accountability systems, including through civil society participation. Building on the positive collaboration to date between MDBs working in fragile countries, moving forward, we feel the need to deepen our efforts to render our engagement more effective.

On the basis of the recommendations of our working group, we have agreed to a set of goals, principles, operational approaches, and working arrangements:

Goals. The goals of our assistance in fragile situations are to strengthen national ownership of recovery and reform, build capacity and accountability in national institutions, and contribute to peace-building through economic and social programs that minimize the risk of conflict and help consolidate stability. These elements could support a scale up by the international community of their assistance to fragile situations and are critical for longer-term growth and poverty reduction.

Guiding Principles. To achieve these goals, our engagement needs to:

- Be characterized by increased speed, stronger sensitivity to political economy and conflict dynamics, greater sharing of cross-country experiences, a hands-on approach to supporting counterpart institutions, and willingness to stay closely engaged in difficult situations over the long term.
- Be adapted to each country context, taking into account the different requirements of situations of deteriorating governance, prolonged crisis, post-conflict and political transition, and gradual reform.
- Support and reinforce the OECD-DAC principles of good international engagement in fragile situations.
- Be coordinated with the United Nations and other regional, bilateral, and international partners, supporting integrated programs that address key linkages between peace-building, governance, and development.

Operational approaches and implementation arrangements. We will:

- Adopt a shared approach to identifying fragility, including through regular exchanges of information on institutional performance, and consultations on priority country situations.
- Undertake, where appropriate, joint conflict, governance, and risk and vulnerability analyses, and, to the extent possible, program our resources through joint assistance strategies.
- Adopt, with the UN and other partners, a shared platform for post-conflict and post-disaster recovery planning and joint monitoring and results frameworks for post-crisis transitions.
- Improve the effectiveness of our capacity-building work by agreeing on country-level division of labor for technical assistance, including sector-specific lead roles; sharing information on rosters of expertise; and consulting on local hiring approaches.
- Improve the speed of our response to natural and/or man-made crises and emergencies by delegating higher levels of authority to our staff in the field, institutionalizing successful models of rapid response, simplifying project processing, adopting a shared communications protocol for emergencies, and establishing common targets for response times.
- Work together to improve field-based staffing presence, including, where appropriate, the use of shared premises or facilities.

We have directed our staff to implement these actions, focusing in particular on country-level changes, and to report back to us at our next meeting in 2008.”