

On May 24th, **Konstantin Huber**, the (Austrian) director of the CE voting at the World Bank made a presentation on the recent developments and the future prospects of the World - Bank Group; with special emphasis on the “main streaming” of “green and inclusive growth”

The event had been organized by the Vienna Chapter of the Society for International Development in conjunction with ÖFSE – the Austrian Research Foundation for Development.

The meeting was well attended. Copies of the last issue of “Development” were distributed

The following is a short summary of the main points in this presentation by Dr Konstantin Huber:

THE WORLD BANK – WHICH WAY FORWARD

In the recent world economic crisis, the World Bank had been able to pursue a strongly anti – cyclical policy, with annual disbursement of about 40 billion USD\$.

But much of its powder is now used up. The capital replenishment of 2010 had not added significant new resources. And – as it stands – a new replenishment is not in sight. One has to assume that the annual disbursements will not amount to more than 15 billion US\$ per year. That amount is much below the still very vivid demand for secure, long term investment credit

The new IBRD president JIM KIM is again an American thus maintaining the American / European duopoly on the Brettonwood institutions. The rapidly changing balance of global economic power might have counseled a break – up of this duopoly, and giving the presidency to a person from medium income or low income countries. Nonetheless there are advantages in JIM Kim as an American holding the post. Not at least because of his closeness to the US president, he is well placed to “keep the US on board” – something which is essential for the future of the IBRD. Also and by his past activities, he is highly sensitive to the issue of development.

Informal international groups such as the G-8 and the G- 20 use the World Bank for analysis and implementation. As these groups have no real bases in international law, that is a development that is perhaps gratifying but also a bit troubling, given the limited membership and thus the non – representative nature of these groups.

As in the past, the following sectors will continue to receive priority attention: agriculture/food; infrastructure; energy; governance. But these traditional priorities will be supplemented by new ones such as: ADAPTATION to climate change; promotion of economic South / South relations; assistance in fragile states and in conflict situations; and gender issues (now really and effectively central).

The World Bank aims to further enlarge its interface with International Non Governmental and Civil Society Organizations.

Over and above that and its proper programs, the World Bank is increasingly sought as an implementer of major national and international projects.

Dr Huber noted what he perceived as enduring deficiencies: failure to become active in projects to MITIGATE climate change; insufficient attention to the issue of uneven distribution of income and life – chances; and little attention to regional integration. Activities continue to be county – centered, with too little regard for the “global commons”.

In conformity with the topic of the last issue of the SID publication “DEVELOPMENT” , Dr Huber then expanded on the issue of “**green and inclusive growth**”. It has been “main streamed “ into all country strategies. Traditional gauges of development such as pp per capita GDP will be adjusted to include data for “natural capital” and ecosystems.

More concrete even is the World Bank’s contribution to the upcoming RIO + 20 conference. It will set clear targets in the fields of: oceans / energy / water / food.

The WB stands ready to offer relevant know how for the development of national strategies for green and inclusive growth; and for the creation and harmonization of tools for measuring and for evaluating the success or failure of such policies.

POLITICALLY and for the future of world governance most relevant is however **a growing cleavage between poor and emerging countries on one side, and the wealthy countries on the other**. As in other venues, in the World Bank too, the first group increasingly resents “conditionality” as imposed by the latter group. With China and India, this first group also has powerful leaders.

Dr Huber predicts that, as a consequence, in the future less emphasis will be put on: relations with INGOs and CSOs; environment, sustainability, climate change, social standards.

On the other hand, politico/ economic issues (such as state vs private) will be dealt with in a very pragmatic manner, disregarding former ideological rigidities.