

**Speech by the Minister of European Affairs and International Cooperation, Ben Knapen, at the presentation of the World Development Report 2011**

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Ladies and gentlemen, good morning,

As you know Dutchmen can have a negative image abroad for being too blunt. So let me confirm that by starting with the negative. The World Development Report 2011 is way too long. It has too many pages.

But having said that, I can only confirm Martin Wolf's column in this morning's Financial Times. This is a great report that includes economic, political, social and institutional elements. It teaches one that every country must find its own path towards a stable, just and inclusive society. South Sudan, soon to be the world's newest nation, now stands at the beginning of a long walk to enduring peace and stability. Naturally, my country is escorting South Sudan on this journey. But in the end dealing with conflict-affected countries is a team effort. We need governments, civil society, international organisations and – in the long run – companies to join forces.

I am delighted to see that the 2011 World Development Report gives good suggestions for improving cooperation. In South Sudan as well as in other countries.

Ladies and gentlemen,

This is not my only positive comment on the 2011 report. Sarah Cliffe and her team have done an excellent job. The report provides an evidence base for a different approach to countries facing conflict. I fully endorse the conclusion that the world's engagement in this field needs to be more focused and more selective.

In support of the Millennium Development Goals, the World Bank says, our priorities should be justice, jobs and security for citizens. This is very much in line with one of my government's development priorities: security and the rule of law in fragile states. We agree with the World Bank that fragile states need inclusive coalitions in the short run and transformed institutions in the long run. Capable, accountable and legitimate institutions make the difference between peaceful or violent resolution of conflicts.

I also agree on the need for an international focus on conflict prevention. Early engagement can prevent misery. Today's development cooperation needs conflict-sensitive approaches in countries where conflicts are clearly present, but have not yet become violent. Naturally, women play an important role in keeping the peace and building the economy. I am happy that the 2011 World Development Report gives significant and sophisticated attention to the role of women in conflict-affected areas.

Ladies and gentlemen,

As I said earlier, security and the rule of law in fragile states is a priority for my government. Why? Because progress on the MDGs in fragile and conflict-affected states has been slow. Indeed, no fragile or conflict-affected state has yet achieved a single MDG. According to the World Bank, these countries account for most of the MDG deficit. And what's more, over a third of the poor in low-income countries live in fragile and conflict-affected states.

The people living in these states are our first and most important concern. But there is a second reason for focusing on security and the rule of law. Conflict-affected states potentially have a large impact on the world as a whole. Think of illegal immigrants from countries like Iraq or Somalia. Think of human, drug and arms trafficking from West Africa and the Balkans. And think of terrorists from Yemen or pirates on trade routes near the Horn of Africa.

These problems require a focused and coherent approach, often referred to as the 3D approach: Defence, Diplomacy and Development. Together with international and local partners, my country is trying to deal with the root causes of instability.

But rest assured that this approach does not involve mixing up the budget for development cooperation with programmes that are alien to it. Our use of development funds was based, is based and will be based on ODA criteria and the principles of the Paris/Accra declaration. Some of our activities are integrated, like the Provincial Reconstruction Team in Afghanistan, but the 3D approach means above all coordination and exchange of information.

It is a pleasure to see that the World Bank is now moving in the same direction.

The 2011 World Development Report states that international interventions are fragmented, delivered through parallel systems, slow to enter and quick to exit. In other words, the complex issues of conflict-affected states require a focus on a few priority areas as well as a coherent approach.

Ladies and gentlemen,

Let's discuss things in further detail. We need to work with international and local partners to tackle the underlying causes of instability in specific countries. This means: peacekeeping missions and strengthening national actors. This means: supporting the peace process and building strong institutions. And this means: delivering employment and basic services to allow people to build a better future for themselves and their children.

We need to listen better as well. Conflict-affected states may lack capacity, but they certainly do not lack a voice. A group of fragile states – including Afghanistan, Burundi, the Democratic Republic of the Congo, Liberia, Sierra Leone, South Sudan and Timor-Leste – has founded the International Dialogue on Peacebuilding and Statebuilding. These countries aim to step up international support for their countries' recovery. I welcome this initiative and I am pleased that Mr. Augustin Nsanze, the minister for Foreign Affairs and International Cooperation of Burundi, was here this morning.

What is the key to recovery of conflict-affected states? A mix of instruments based on existing capacities to deliver early results and to build new capacity. A recent South Sudan evaluation shows that the UN and World Bank Trust Funds have not delivered enough early results, while bilateral efforts had more success. The UN and World Bank in their turn were more effective in Afghanistan. So, top-down support in the form of Trust Funds needs to be

accompanied by bottom-up cooperation in the form of community-based programmes. This will deliver early results and strengthen state-society relations.

But addressing regional and global drivers of conflict remains the biggest challenge. Most frameworks, sadly, still focus on country-level engagement. This has to change – the sooner the better.

Ladies and gentlemen,

The Netherlands greatly values the contribution of the World Bank in the field of conflict-affected states. But of course there is always something to wish for. Allow me to share the Dutch view with you.

President Zoellick of the World Bank has already acknowledged the importance of a different approach to conflict-affected countries, in his speech at the International Institute for Strategic Studies. He called for a more comprehensive and more politically informed approach with a sharper focus on state-society relations. And recently, he underlined the need for international institutions to adapt to the 21st century. I quote: 'Reconstruction is no longer what it was in the post-World War II era.... It now means Côte d'Ivoire, Southern Sudan, Sri Lanka and, I hope, Libya.' End of quotation.

The recommendations in the 2011 World Development Report are a crucial first step for the World Bank as it moves into a new era. Let me identify four major issues. Enhancing the Bank's leadership role in financial and economic governance issues – even without the prospect of major World Bank funds – is important for my country. Secondly, staffing in fragile states should improve. Thirdly, in order to ensure fast and flexible operations, the results and risk management framework for fragile and conflict-affected states must be realigned. And finally, my country would welcome a stronger partnership between the World Bank and the UN.

Naturally, my country will act on this agenda together with the World Bank – on its Board of Governors and in the field.

Ladies and gentlemen,

Let me sum up. The Netherlands strives for a coalition on conflict-affected states of governments, international organisations and civil society, including NGOs representing women. The Netherlands asks the international community to listen to the voice of the conflict-affected states themselves. And the Netherlands calls for more effective cooperation between the World Bank and the UN.

Let us never forget that building a stable, just and inclusive society is walking a thin line. I hope that when we look back in thirty years, the conflict-affected states of today will have walked that line successfully to its democratic end. A little bit with our help and eventually basically with confidence in themselves.

Thank you.