

## World Bank's Response to the Syrian Conflict October 2014

Mister chairman, excellencies, dear colleagues.

A grand thank you to Germany for this strategic and timely initiative.

As the deputy minister for Egypt said, we are not here to compare notes on what we are doing. But let me argue that we are here to show that when we want, we can, and that there are programs and initiatives that are working, and on which we can build to make a difference in helping the countries under so much stress because of the Syrian crisis. These programs show that there is a fierce need to strengthen the continuum between humanitarian engagement and development commitment. And I know that you Mr. High commissioner have always believed in this concept and we are happy to be working with you. Indeed, refugees and hosting communities are both in dire need for help.

Given our mandate and authorizing environment, today the World Bank's concrete strategy is to contain the spillover of the Syrian crisis on the neighboring countries, mainly Jordan and Lebanon, and the Bank is currently engaged in helping the Kurdistan Regional Government assess the impact of the Syria/Iraq crisis on its economy in light of the flows of internally displaced persons and refugees.

In Jordan:

The Bank is providing immediate support to help mitigate the impact of the Syrian crisis on Jordan while maintaining a focus on policy reforms needed for growth and job creation in the medium term. This two pronged approach, immediate action and longer term commitment, will be guiding our engagement in the region.

We provided rapid, financial assistance of US\$150 million to help the country mitigate the adverse impact of the Syrian crisis on Jordan's economy. The emergency operation helped the country in managing the additional expenditures on healthcare services and basic household needs as a result of the Syrian refugee influx.

The Bank and development partners including the UK, Canada, and Switzerland launched a \$50 million grant to help Jordanian municipalities and host communities address immediate service delivery impacts of Syrian refugee inflows. Fifty million is good. But we need more, to cover all the needs from Jordan's much deserving local governments.

A budget support operation of US\$250 million, approved last March focuses on medium-term development goals, including: improving transparency and accountability; enhancing debt management and the efficiency of government spending; and promoting private sector-driven growth.

Important to note that all these operations are managed through government processes and systems, in close coordination with and, supervision from the world bank.

In Lebanon:

Following the Bank-led Economic and Social Impact Assessment) and subsequent Roadmap of Priority Interventions, the Bank set up a Multi-Donor Trust Fund to help mitigate the impact of the Syrian crisis on Lebanon. The Lebanon Syrian Crisis Trust Fund is now up and running, and the first project (Emergency Municipal Services) has been approved. Other potential areas of intervention under the trust fund include education and health, given the heavy impact of the crisis on these sectors. To date, the Trust fund has about \$31 million in contributions, including from Norway, France, Finland, The Netherlands, and the World Bank's State and Peace Building Fund. Further contributions may be forthcoming from other donors, including the UK. But again, this is a drop in an ocean of urgent needs. And we need to do more.

The Bank has also prepared a scaling up of the Government's National Poverty Targeting Program to reach those Lebanese affected by the Syrian crisis and all Lebanese households under the extreme poverty line.

In parallel to this support, we are scaling up our financing for much needed infrastructure investments, including a programmatic engagement on water, with a 474 million dollars transformational project, a loan which was just approved by the Board of directors of the World Bank.

Here as well, all these projects are managed through government systems and processes, in close coordination with and supervision by the Bank.

In Iraq:

The World Bank is following the situation closely, and remains fully engaged and committed to the country's development needs. Our programs, worth of 1 billion dollars, are focused on infrastructure, and we will scale them up as the situation allows.

The Kurdistan Regional Government has asked the Bank for an Economic and Social Impact Assessment (ESIA) as done in Lebanon. The Bank has responded positively to this request and we are presenting this work in a couple of weeks in Erbil. This work will be a pilot to what we could do for the whole of Iraq if the government requests.

Let me finish by thanking again the German government for this initiative, and let me also stress that when there is a political will to address a crisis, and we are living in the middle of one, there is always an economic and financial way.

Thank you