

Private Sector Development Institutions Communiqué

October 5, 2009

Istanbul, Turkey

1. On October 5, 2009, over 30 senior representatives from development institutions that focus on the private sector met in Istanbul at the time of the World Bank/IMF Annual Meetings. This was a follow-on to a similar meeting that took place for the first time last October in Washington, and is the only high level forum for senior executives from both multilateral and bilateral development institutions with an explicit focus on the private sector. Institutions participating included the African Development Bank, Asian Development Bank, Inter-American Development Bank, International Finance Corporation, Islamic Development Bank, the OPEC Fund for International Development, as well as bilateral private sector development institutions including 11 EDFI members (European Development Finance Institutions), and institutions in the U.S. and Japan and other countries.

2. The purpose of the meeting was to share perspectives and help enhance effectiveness through joint efforts. In recent years there has been a significant growth in private sector development finance and advisory work from these institutions, reflecting the greater prominence of private sector activities in many countries. This has led to a need for greater cooperation. In addition, the recent financial crisis has greatly raised the need for assistance to the private sector by these institutions, and also increased the need for joint actions to maximize the effectiveness of their activities. The private sector is critical to job creation, which will be especially important as governments reduce their stimulus packages.

3. The executives reviewed progress of joint working groups in areas such as development effectiveness measurement, pricing, workouts, environmental and social standards, productivity benchmarking, and off-shore financial centers. The executives also had a wide-ranging discussion of these issues and discussed progress on a number of joint initiatives that have been developed in such areas as trade, infrastructure, bank capitalization, microfinance, and asset recovery, as well as regional initiatives in Europe and Africa. There was a consensus on the importance of private sector development during and after the crisis. At the conclusion of the meeting there were a number of joint launch events and signings involving many of the institutions present as well as private sector organizations, reflecting progress on implementing the various joint initiatives. Launch events and signings included, among others, items related to trade, infrastructure, and asset recovery, and joint agreements among institutions including those in Europe and the Middle East.

4. The executives requested further efforts toward coordination and harmonization in a number of areas, following on the recent G20 call for greater IFI support of the private sector, strengthened coordination among institutions when appropriate, and increased capacity to achieve demonstrable results. The executives also discussed the further implementation activities needed to effectively address the financial crisis. The meeting was considered an important contribution to the collaborative efforts and the executives agreed to meet again in a similar forum at the next Bank/Fund Annual Meetings in 2010.