

New York, April 18, 2016

Inaugural ECOSOC Forum on Financing for Development

(New York, 18-20 April 2016)

Special High-Level Meeting

with the Bretton Woods institutions, the WTO and UNCTAD

Remarks by Mr. Bambang Brodjonegoro, Chairman, Development Committee

Ambassador Oh Joon, President of ECOSOC, Excellencies, Distinguished Delegates, Ladies and Gentlemen.

It is an honor to be with you here today. I have come here from Washington D.C. where I attended the Spring Meetings of the World Bank Group and International Monetary Fund in my capacity as Chair of the Development Committee.

I would like to provide you with a brief overview of the 93rd Meeting of the Development Committee which took place on April 16th. The Governors firstly welcomed the Republic of Nauru as the 189th member of the IMF and World Bank.

Governors noted that global growth continues to disappoint in 2016 and that substantial downside risks to growth remain. These include weak demand, tighter financial markets, softening trade, persistently low oil and commodity prices, and volatile capital flows. Governors called on the World Bank Group and the International Monetary Fund, within their respective mandates, to monitor these risks and vulnerabilities closely, and update the Debt Sustainability Framework for Low-Income Countries. They also called on them to provide policy advice and financial support for sustained, inclusive and diversified growth and resilience.

The Development Committee members were encouraged by the progress made on the current *Forward Look exercise*, focusing on the medium to long term future of the World Bank Group, which aims to ensure that the Bank remains a strong global development institution in an evolving development landscape. A final report on this exercise is expected by the Annual Meetings in October 2016, where the Board of Directors and management will develop proposals to ensure that the Bank Group:

- (i) remains responsive to the diverse needs of all its clients;
- (ii) as well as a leader on global issues and knowledge;
- (iii) makes the “billions to trillions” agenda a reality;
- (iv) partners effectively with the private sector;
- (v) becomes a more effective and agile development partner;
- (vi) and adapts its business model accordingly.

Governors agreed that the Board of Directors and World Bank Management should continue to consider ways to strengthen the financial position of the Bank Group institutions, including by optimizing the use of their existing resources, so that they are adequately resourced to accomplish the Bank’s mission.

The Development Committee members raised their concern around situations of fragility and conflict, which have displaced millions of people, significantly impacting both origin and host countries. They welcomed efforts by the Islamic Development Bank, the UN and the World Bank Group to develop the financing facility for the Middle East and North Africa and donor commitments to this initiative. They further requested the Bank Group to explore options to develop a long term global crisis response platform. They looked forward to the upcoming first World Humanitarian Summit and the Summit on Refugees at the UN General Assembly.

Governors highlighted the criticality of concessional finance, particularly IDA, the World Bank's fund for poorest clients. They advocated for a strong IDA 18 replenishment with the support of traditional and new donors.

Governors recognized the major achievements on the 2030 Agenda for Sustainable Development. They encouraged the IMF, MDBs, the UN and the Bank Group to partner, in line with their respective mandates, to support developing countries' efforts to meet the SDGs and collaborate to develop high quality financing for sustainable and growth-oriented infrastructure investments. They also called on the Bank Group and IMF to step up efforts to implement the Addis Ababa Action Agenda on Financing for Development, in particular, crowding in the private sector and boosting domestic resource mobilization, including by tackling illicit financial flows.

The Development Committee noted the centrality of including the private sector to achieve our ambitious development objectives. Inclusive job creation is central to shared prosperity, and Governors encouraged all Bank Group institutions to work together in support of this agenda and to do more to catalyze sustainable economic growth, including by mobilizing funds and providing guarantees in the most challenging environments, and to small and medium enterprises. They further urged the IFC, IBRD and IDA to help countries undertake reforms and invest in the quality infrastructure needed to establish business environments that support private investment and local entrepreneurs.

Governors reinforced the fact that achieving gender equality is central to the 2030 Agenda for Sustainable Development and welcomed the Bank Group's recent adoption of the renewed gender strategy.

Governors agreed that the Bank should continue to deliver evidence-based development solutions at the country, regional, and global levels, including through improved country data systems, and South-South cooperation both in low- and middle-income countries. To

achieve this, they urged the Bank Group and IMF to become more effective in fragile and conflict situations, through strengthened operational capacity in affected countries, better-tailored capacity development activities, incentives and enhanced security for staff, and innovative financing and resourcing.

The Development Committee members stressed the need to strengthen country institutions and health systems, including enhancement of pandemic prevention and preparedness, in close collaboration with the World Health Organization and other stakeholders, and encouraged the World Bank Group to finish the preparatory work on the Pandemic Emergency Facility as soon as possible and foster a new market for pandemic risk management insurance.

Governors welcomed the historic Paris Agreement, which sets the stage for ambitious climate action for all stakeholders. The Bank Group's recent Climate Change Action Plan sets out its commitment to help operationalize, based on client demand, climate-smart policies and projects as well as to scale up technical and financial support for climate change mitigation and adaptation. Small states, the poor and the vulnerable are among the most exposed to the negative impacts of climate change and natural disasters, and Governors urged the Bank Group and IMF to continue to step up their support to build resilience in these countries.

Governors further welcomed the Progress Report on Mainstreaming Disaster Risk Management and called on the Bank Group to implement actions and policies using the principles of prevention and preparedness while continuing to build capacity for disaster response guided by the Sendai Framework for Disaster Risk Reduction, in particular, in Small Island Developing States.

Governors also encouraged Bank Group management and the Board to finalize the modernization of the World Bank's Environmental and Social Framework by August 2016.

Finally, they also welcomed the interim report on the Dynamic Formula and stressed the need for the planned further work aiming to reach an agreement by the October 2016 Annual Meetings in line with the Shareholding Review principles and the Roadmap agreed in Lima.

I would like to thank ECOSOC again for the opportunity to share the conclusions of the last Development Committee meeting. More details can be found in the Committee's background papers, which are all publicly available.

Thank you very much.