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Inaugural ECOSOC Forum on Financing for Development
(New York, 18-20 April 2016)
Special High-Level Meeting

Remarks by Mr. Mahmoud Mohieldin, Senior Vice President of 2030 Agenda, UN Relations, and Partnerships – on behalf of President Jim Yong Kim

Good morning Excellencies, Distinguished guests, Mr. Secretary-General, Mr. ECOSOC President, ladies and gentlemen, it's a pleasure to be here today to address you all on behalf of our WBG President, Dr. Jim Yong Kim, who sends his regards and wishes that he could have been here with you today.

Since our meeting in Addis Ababa in July, global leaders have adopted the 2030 Agenda for Sustainable Development, as well as the Paris Agreement under the UN Framework Convention on Climate Change.

Those agreements were historic, but now the real work begins -- requiring good data, skillful delivery, and solid financing, including being fully prepared for shocks, natural disasters, and responding to crises of all kinds.

We are reminded again this week of the importance of preparedness for shocks, and I would like to take a moment to express our condolences for the thousands of men, women and children affected by the recent earthquakes in both Japan and Ecuador.

This inaugural UN ECOSOC Finance for Development Forum will follow-up on and monitor our commitments to finance the initiatives that will achieve the SDGs -- and end extreme poverty.

The World Bank Group is honored to be an active part of the Inter-Agency Task Force of this Forum – and we're already deeply engaged in operationalizing our financing commitments.

We all know that official development assistance – which was $131 billion dollars in 2015 – is not enough to fund our ambitious 2030 agenda.

We need to use every dollar more efficiently, unlock new resources, and leverage official development assistance to attract additional investment of all kinds -- both public and private.

We also need to nurture a stable and predictable investment climate -- along with a sound regulatory and institutional framework -- to attract and de-risk investment.

The Bank Group, other multilateral development banks, and the IMF are working together to use our shareholder capital, innovative financing solutions, knowledge, and convening power to catalyze and crowd-in additional public- and private-sector dollars.

The MDBs have made a joint commitment to provide $400 billion dollars in financing over the next three years. This is an important beginning, but much more is needed to achieve the SDGs.

At the World Bank Group, one of our key priorities is to boost domestic resource mobilization capacity of countries. Last October the Bank Group and the IMF launched a Joint Initiative on Strengthening Tax Systems in Developing Countries. The Bank Group is also actively engaged on Public Finance Management and supporting efforts to stop the flow of illicit funds and recover stolen assets.

Another aspect of the financing for development agenda is infrastructure. The new Global Infrastructure Forum was just launched during World Bank Group/IMF Spring Meetings this past week. The event was chaired jointly with the UN Secretary General and the Chairs of the G20 and the G24, and included the Heads of MDBs and development partners.

There is agreement that to end extreme poverty by 2030 and meet the SDGs we need to address the infrastructure gap in things like sanitation and electricity. This will require unprecedented resources, as well as help from MDBs to promote and improve quality data, project preparation, and innovative financing mechanisms for infrastructure.

On financing, our leaders agree that we need to boost MDB’s financial capacity through the use of risk-sharing instruments such as political risk insurance and reinsurance, partial risk and credit guarantees, issuance of green bonds and other such instruments to crowd in other investors.

- We also need to develop new tools to leverage MDB balance sheets and bring in new private sector capital, including from the insurance market and institutional investors.

- Fostering the secondary market for infrastructure equity and debt is also required, with MDBs supporting the development of secondary markets for equity and debt. This will allow project developers to recycle their scarce capital in the secondary market into new PPPs coming to tender, and to create long-term assets with a risk profile which is more attractive to institutional investors.

Our Governors also said we should support developing countries’ efforts to meet the SDGs through “collaboration among MDBs on developing high-quality financing for sustainable and growth-oriented infrastructure investments.” They all agree that this required partners to “help countries undertake reforms and invest in the quality infrastructure needed to establish business environments that support private investment and local entrepreneurs."

To address the full spectrum aspect of the 2030 agenda, we need to acknowledge and address the global challenges of forced migration and other displacements, which have caused suffering for many millions. The stakeholders met recently on March 16, with World Bank President Jim Kim, the UN Secretary General, along with 30 global leaders of international organizations, who called for a new action-oriented humanitarian-development partnership. They agreed on three key areas for joint engagements, including data and evidence, joint engagements, and financing instruments, as well as quality risk assessment.

This coming May, in Dublin, the World Bank Group is organizing a Development Finance Forum to discuss how to attract investment in societies and markets impacted by conflict, climate change, or migration. For example, the Bank Group is working with the UN and Islamic Development Bank to provide concessional financing to middle-income countries such as Jordan and Lebanon that host the majority of refugees affected by the Syrian conflict. The facility aims to tap financial markets to issue special bonds, including sukuk or Islamic bonds, to raise the scale of funds needed to support recovery and reconstruction.

Our work going forward requires creative approaches and instruments to leverage our existing resources to attract private sector capital.

One example is our Pandemic Emergency Facility. The Bank Group, along with the World Health Organization and many other partners, have created this facility which will use pre-arranged public and private financing -- including resources from insurance and capital markets -- to prevent a severe outbreak from becoming a more deadly and costly pandemic.

The Bank Group's private sector arm, the IFC, and political risk insurance arm, MIGA, are using innovative ways to crowd-in private financing and leverage the power of the private sector in developing countries.

Since Addis, IFC has been working with partners to scale-up funding and expand the pool of co-investors for investments in developing countries. Infrastructure, and financing in fragile and low-income countries, have been key priorities.

This is just a start. The World Bank Group is committed to deepening its ability to mobilize additional resources.

It is our hope that this Forum will put us on a secure path to use our collective knowledge, skills, and resources, to finance the achievement of the SDGs – and end extreme poverty in a single generation. Thank you very much.