DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

EIGHTIETH MEETING
ISTANBUL, TURKEY – OCTOBER 5, 2009

DC/S/2009-0064

October 5, 2009

Statement by

Mr. XIE Xuren
Minister of Finance
People’s Republic of China
Statement by
Mr. XIE Xuren
Minister of Finance
The People’s Republic of China
at the 80th Meeting of the Development Committee
October 5, 2009, Istanbul, Turkey

Review of IBRD and IFC Financial Capacities - Working with Partners to Support Global Development through the Crisis and Beyond

Mr. Chairman, colleagues:

Thanks for the collective efforts of international community, we have seen some positive signs in global economy. However, there are still many uncertainties in the global recovery. Many developing countries are facing even more daunting challenges on poverty reduction and structure adjustment. The World Bank is a key actor in helping developing countries responding to the crisis, promoting global economic recovery, and ensuring sustainable development beyond the crisis. In this connection, it is important for us today to have discussions on the World Bank’s financial capacity and future global poverty and development agenda.

First, the World Bank should adhere to and strengthen its core mandate of poverty reduction and development, and provide more financial resources for developing countries’ medium and long run development. This crisis is telling us that development disparity is still the major challenge to the global economy. It is the root cause of poverty, conflicts, and frequent crises across the world. As the largest development assistance institution in the world, the World Bank’s efforts of transferring finance, knowledge and technology, will not only effectively promote global poverty reduction and MDGs agenda, but also help to achieve an inclusive, sustained and balanced global development through narrowing the development gap.

Second, the World Bank should always be innovative in providing developing countries flexible and user-oriented services. We hope the World Bank would take stock of the development experiences of the past decades, particularly the lessons from this crisis, and provide tailored policy advice for developing countries at different development stages. We hope the Bank would provide more flexible, diverse and facilitative lending support through innovative products and services. We also hope the World Bank would build partnership with developing countries on equal basis, encourage and support various initiatives on regional cooperation and south-south cooperation.

Sustainable financial capacity is fundamental to the World Bank’s ability to fulfill its due role in promoting poverty reduction and development. We believe it is the common responsibility of all member countries to ensure sustainability of the World Bank’s financial capacity. We support the World Bank’s efforts to enhance its capital adequacy to increase its support to developing countries and help them better respond to the financial crisis with a view to achieve sustainable development. Meanwhile, we object to shifting burden and cost to developing countries through initiatives such as IBRD price increases.
Enhancing Voice and Participation of Developing and Transition Countries in the World Bank Group: Phase 2

Mr. Chairman, colleagues,

Developing countries are already an important and integral part of the global economy, and a firm force in underpinning the recovery of the world economy. It is necessary to substantially enhance developing countries’ voice and participation in the World Bank when the international community is responding to the on-going financial crisis and reinforcing the World Bank’s core mandate of poverty reduction and development.

The recently concluded G20 Summit in Pittsburgh explicitly put forward that developing and transition economies’ (DTCs) voting power in the IBRD should be increased at least 3%. We call on the parties concerned to maintain this momentum and work efficiently to advance the reform and make substantive progress. We advocate that IBRD shareholding realignment should reflect the evolving weight of all members in the world economy, adhere to the principle of no involuntary dilution for DTCs voting power, and protect the voting power of the smallest poor countries. Against this backdrop, we welcome all sorts of options that are conducive to significant increases of DTCs’ voting power. We are willing to actively participate in the related discussions and work together with all parties concerned in order to achieve the ultimate goal of parity voting power between developed and DTC members in the WBG.

We reiterate that the selection process for the president of the World Bank should be open, transparent and merit-based. We encourage the World Bank to formulate related selection procedures as soon as possible. The Bank should continuously increases DTC representation in its staffing structure, and the senior management in particular, while paying attention to good geographical representation balances.

Thank you!