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of the  
Boards of Governors of the Bank and the Fund  
on the  
Transfer of Real Resources to Developing Countries)

**NINETY-NINTH MEETING**  
**WASHINGTON, D.C. – APRIL 13, 2019**

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April 13, 2019

**Statement by**

**H.E. Salman bin Khalifa Al-Khalifa**  
**Minister of Finance and National Economy**

**Kingdom of Bahrain**

**on behalf of Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon,  
Libya, Maldives, Oman, Qatar, United Arab Emirates, Yemen**

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**99<sup>th</sup> Meeting of the Development Committee**

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The Forward Look and the Capital Increase, with its corresponding policy commitments, are inextricably linked. While the first serves as the overarching roadmap on how the World Bank Group (WBG) can effectively support the continuum of its client countries in their economic transformation and achieving inclusive and shared growth, the second constitutes the necessary and adequate financial and policy conditions to deliver on the Twin Goals.

We believe that future updates of the Forward Look should include more analysis on where the Group is performing well in achieving the Twin Goals and where it is lagging, as well as planned mitigation measures. Here, we would like to stress that shared prosperity, especially of the bottom 40%, should be given equal attention and focus as we need to avoid reversals in shared prosperity due to the potential impact of modest global growth, debt vulnerabilities and other protracted downside risks. We also acknowledge and support that the update is anchored in the four pillars of the Forward Look.

On Serving All Clients, we welcome the progress made on implementing the commitments to Low Income and Fragile and Conflict-Affected Countries (FCS), Small States and Low Middle Income Countries (LMICs), including IDA graduates and new blends. The successful implementation of IDA 18 commitments is critical to the achievement of the Twin Goals and to achieving a sufficient IDA19 round. With regards to Upper Middle-Income Countries (UMICs), we would like to reiterate that we have committed to implement the change in the LMICs-UMICs share of funding gradually and over time, until 2030. It would be more effective to avoid abrupt shifts in trends and levels of engagement with UMICs and work with them in a seamless and fully owned manner, using both financial and knowledge instruments. Additionally, we encourage continued capacity building and knowledge sharing efforts with UMICs through the formal establishment of the Reimbursable Advisory Services (RAS) Enterprise, which was agreed upon during the Capital Package discussions between the Board and Management.

We support the WBG's leadership and advocacy role on global issues, especially on climate change, Fragility, Conflict and Violence, knowledge, regional integration and Gender, and call for integrating the IDA special theme of "Jobs and Economic Transformation" in the core work of the Bank. This is integral to reaching inclusive and sustainable growth and creating quality jobs. We share the view that it needs both supply and demand side measures and policies, including through enhancing skills of workers, while simultaneously maximizing the creation of better jobs, respectively. The Middle East and North Africa (MENA) region exemplifies the necessity for creating quality economic opportunities to achieve inclusive growth and shared prosperity, as it will need to produce close to 300 million jobs by 2050. Here, we would like to stress that creating these aforementioned quality economic opportunities is a development challenge,

yet it also presents us with an opportunity to build and enhance human capital formation and accumulation from early childhood through adulthood.

The World Bank Group (WBG) recently embarked on the Human Capital Project and Index, to illustrate the importance of the role of human capital investments and outcomes in assisting countries ensure optimal productivity of individuals, which directly correlates to the future income of countries. Therefore, a system view encompassing all of its factors, incentives, actors, and differentiated whole of government efforts, including opportunities for lifelong learning, training and skills enhancement, are key components for the jobs agenda. Furthermore, human capital outcomes can be further maximized through inclusive empowerment of households, which act as the main incubators of human capital.

With regards to the implementation of the Cascade as an approach to Maximizing Finance for Development (MfD), including through deploying innovative investment platforms, financial products and impact measurement tools, we believe that working as One World Bank Group will prove instrumental in implementing the MfD and Cascade priorities. In this framework, the newly developed WBG Accelerator Pods, Sector Groups and Global Upstream Units will be crucial, particularly to address the issue of declining infrastructure financing across the Group. Maximizing Finance for Development (MfD) is the appropriate path towards enabling private sector solutions, reducing infrastructure gaps and developing human capital, all of which contribute to achieving the Twin Goals and the Sustainable Development Goals (SDGs).

We recognize the progress in implementing a “Better Bank” and a “Better IFC” agenda and note the concerted efforts that have been made to streamline procedures, reduce decision layers and define decision points. We believe that it is equally important to adjust behaviors, cultures and incentives.

We acknowledge the progress made on a number of capital package commitments, including the implementation approach for IBRD's new Financial Sustainability Framework (FSF), the Sustainable Annual Lending Limit (SALL) and the potential crisis response buffer size. We also appreciate that systems for monitoring and reporting on the progress against the Capital Package and Policy Commitments have been put in place.

We are happy with IFC's steady progress on optimizing its balance sheet and its introduction of new budget efficiency metrics. These measures are essential for generating financial efficiencies for the redeployment of resources to strategic priorities and regions. In this context, we would like to point out that the IFC's policy package targets will not be achieved without a substantial increase in IFC's equity portfolio, comprising a more ambitious and prudent equity and Mezzanine strategy that is complimented by a robust decision making and accountability structure, as well as an improved portfolio monitoring and management system.

With regards to the opportunities posed by disruptive technology, we support the approach to mainstream this important agenda and the five corporate priorities identified through the Build-Boost-Broker framework. This would enable the World Bank Group (WBG) to develop a comprehensive vision to elaborate unique digital strategies and support its client countries in implementing these strategies.

We believe that this would contribute to achieving tangible progress towards timely achievements of the WBG's twin goals in addition to the Sustainable Development Goals (SDGs). The WBG's support should be all inclusive, especially of the most underprivileged segments of the population, helping countries harness the multiple opportunities presented by these transformative technologies, while avoiding their downsides and successfully mitigating their risks.

Moreover, we believe that the WBG has a central role to play in mobilizing and leveraging resources to finance the immense investment costs of digital transformation. Consequently, there is no better multilateral institution to lead the massive efforts to maximize financing for development through both private sector investments and helping countries with boosting their Domestic Resource Mobilization.

We welcome the efforts made to scale up the use of technology in WBG's engagements, particularly in fragile and conflict-affected situations. The existing data and service delivery gaps could be addressed by systematic use of technology and reinforced with local capacity-building and investment in infrastructure. We urge the WBG to support countries in addressing the widening 'digital divide' by expanding access to affordable Information and Communication Technologies (ICT) and strengthening the investment climate.

Given that the impact of technological progress could be both positive and negative for women, we urge the WBG to support countries in ensuring that the use of technology accelerates and contributes to women's economic empowerment. In accordance with other countries, we believe that the WBG should support client countries in advancing the relationship between the citizen and the state and help simplify distribution of quality public services. We ask the WBG to assist countries in developing a new generation of e-Government platforms that identify service needs, including, socio-economic, and provide tailored services to citizens.

Technology has the potential to play a pivotal role in transforming development in the Middle East and North Africa (MENA) region. We acknowledge that this should align with efforts to modernize laws and regulations, address market constraints and lay the foundation for private sector investments to progressively create inclusive opportunities and quality jobs, especially for women and youth.

The document proposes two new initiatives: the Africa moonshot and Govtech, which we welcome, but would like to ask the WBG to espouse the Moonshot initiative, with equally ambitious targets, in the Middle East and North Africa (MENA) region and allocate the necessary resources for its implementation.

Finally, we encourage the WBG to be fully equipped to operationalize this agenda, with synergies among the Group maximized and bolstered by complete ownership of the agenda, with staff working directly with the clients.