



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)

**ONE HUNDRED AND EIGHTH MEETING
MARRAKECH, MOROCCO – OCTOBER 12, 2023**

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Statement by

**Wang Dongwei
Vice Minister of Finance**

on behalf of

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108th Meeting of the Development Committee

**October 12, 2023
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The world has entered a new period of turbulence and change with various risks intertwined, which poses enormous challenges to international development. We support building a “better and bigger” World Bank Group (WBG), which will strengthen its mission and capacity through evolution process, help developing countries effectively address development challenges including poverty reduction, development financing, climate change, food and energy security, and promote the reform of the international financial system in a more just and equitable direction. We welcome the important progress on WBG evolution since the Spring Meetings, thank the Executive Board and Management for their joint efforts, and commend President Ajay Banga for his outstanding leadership. We look forward to taking the Marrakech Annual Meetings as an important milestone to further push forward the World Bank (WB) evolution and provide more impetus for the implementation of the Sustainable Development Goals (SDGs).

I. Implementing the new vision and mission to achieve “Twin Goals” on “a livable planet”

China welcomes the integration of “a livable planet” into the WBG's vision and mission, which is in line with the visions of *Chinese modernization* and a *community with a shared future for mankind* advocated by President Xi Jinping. It means not only harmony between human and nature, but also economic growth, employment, and social inclusiveness. We look forward to fully tapping the connotation of “a livable planet” through the WB evolution, which is not limited to the environmental and climate field, but more broadly reflects our common sustainable development needs. On this basis, the monitoring indicator system should be appropriately developed, and the accountability mechanism should be strengthened.

China stressed that the “Twin Goals”——to end extreme poverty and boost shared prosperity——are the natural mission of the WBG and the fundamental starting point for evolution. Addressing global challenges aims to inject new impetus into the realization of the “Twin Goals”, and there should be no trade-off between the two. The WBG should mobilize new and additional resources to support addressing global challenges, while continuing to increase investment in traditional areas of poverty reduction and development. China welcomes the eight global challenges identified in the WB Evolution and looks forward to further expanding the boundaries of global challenges and gradually incorporating the key concerns of developing countries in areas such as trade and debt vulnerability.

II. Delivering a “Better Bank” to serve clients with enhanced capability and efficiency

The WBG’s long-standing practice has proved that the country engagement model is the core strength of its operations. The reform of the operational model must follow the principles of country-ownership and demand-driven, and the WBG should stick to cooperate with client countries under the Country Partnership Framework. China appreciates the WBG's emphasis on improving operational efficiency and effectiveness and supports efforts to improve responsiveness to client countries by improving project preparation and approval process and exploring more use of country systems.

China welcomes the launching of “Global Challenge Programs” pilots. The WBG should provide additional concessional financing, rather than taking up existing country allocations, and properly design incentive mechanisms and lending terms to avoid additional burden on client countries. China supports strengthening the One World Bank approach and integrating the resources of different institutions within the WBG to achieve synergies. China encourages the WBG to expand its global network of development partners, expand cooperation with new institutions such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB), and actively synergize with international development initiatives such as the Belt and Road Initiative (BRI) and the Global Development Initiative (GDI). China expects the WBG to optimize and upgrade knowledge products and services, further increase the added value of projects, and promote South-South exchanges and cooperation.

III. Building a “Bigger Bank” to increase its financial capacity and scale

Reform ambitions require sufficient funding. China supports the International Bank for Reconstruction and Development (IBRD) in improving its capital utilization and further releasing its lending capacity by balance sheet optimization and other measures, while maintaining its AAA credit rating, financial sustainability, and Preferred Creditor Treatment (PCT) status, and avoiding increase in lending costs. China welcomes options such as public sector Co-Financing Platform and portfolio guarantee platform, and supports the issuance of hybrid capital to shareholders, but also remind that we should guard against potential governance, legal and financial risks that may arise. The issuance of hybrid capital to development partners should be subject to completion of due diligence by management and approval by the Executive Board.

China believes that capital increase should go hand in hand with balance sheet optimization to demonstrate shareholders' strong commitment to the WB evolution, enhance financial soundness and further scale up lending capacity. We urge all parties to discuss the option of capital increase. We reaffirm the importance of adequate concessional financing for poor countries, look forward to an ambitious IDA 21 Replenishment while enhancing the capacity of IDA Crisis Response Window (CRW), and support the net income transfer from IBRD to IDA. Meanwhile, the WBG should provide concessional finance to middle-income countries to support them in addressing global challenges. The concessional financial allocation framework should ensure that all borrowing countries are eligible. Except for trust funds, concessional funding providers should not be granted the right to designate the use of funds in order to avoid adverse impact on the governance and integrity of the Bank.

IV. Building on Existing Consensus and Advancing the Post-Marrakech Agenda

Marrakech should not be the end of the WBG evolution. We urge the WBG to formulate a post-Marrakech Agenda based on the consensus of the Marrakech Annual Meetings, actively implement the agreed reform measures, while maintaining the reform momentum on financial options such as capital increase and enhanced callable capital, global challenges such as debt vulnerability, mobilization of concessional finance, and knowledge strategies, and report to the governors on progress at the 2024 Spring Meetings. At the same time, we should also take a long-term view to expand the scope of evolution to governance, and further increase the voice and representation of emerging markets and developing countries. We look forward to the launching of the IBRD Shareholding Review as scheduled and concluding it by the 2025 Annual Meetings.

This year marks the 45th anniversary of China's reform and opening-up. As an important participant and supporter of China's reform and opening-up, the WBG has made positive contribution to China's poverty reduction and development. At present, China is actively promoting high-quality development and striving to achieve Chinese modernization with its 1.4 billion-plus people. The Chinese economy is on a positive trajectory over the long run. The fundamentals remain unchanged and demonstrate strong resilience and vibrancy in the post-pandemic recovery. With a promising development prospect, China will provide new and bigger opportunities of development for the world. We also look forward to strengthening cooperation

with a better and bigger WBG, so as to further promote global poverty reduction and development and address global challenges, and make greater contribution to the building of a community with a shared future for mankind.