



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 TENTH MEETING
WASHINGTON, DC – OCTOBER 25, 2024**

DC/S/2024-0047
October 25, 2024

Statement by

**H.E. Fernando Haddad
Minister of Finance**

Brazil

**On behalf of Brazil, Colombia, Dominican Republic, Ecuador, Haiti,
Panama, Philippines, Suriname, and Trinidad and Tobago**

Statement by

**H.E. Fernando Haddad
Minister of Finance**

Brazil

**on behalf of Brazil, Colombia, Dominican Republic, Ecuador, Haiti,
Panama, Philippines, Suriname, and Trinidad and Tobago**

110th Meeting of the Development Committee

**October 25, 2024
Washington, DC**

In response to the unprecedented needs arising from recent overlapping global crises, marked by persistent risks, economic uncertainty, increased tensions, conflicts, and violence, the World Bank has committed to evolving into a larger and more effective institution. The Development Committee paper, “A Future-Ready World Bank Group,” encapsulates the institutional changes undertaken during the Bank’s Evolution process and initiates a critical dialogue on the future direction the institution should pursue. Throughout this process, our constituency has consistently supported the collective efforts to make a bigger and better Bank. Our support has been driven by a firm belief that this course of action would greatly benefit low- and middle-income countries, as well as all nations globally, given that addressing global challenges serves the common interest of everyone.

The World Bank Group has been instrumental in advancing policies aimed at eradicating poverty and enhancing prosperity, with a renewed emphasis on ensuring the planet's livability. The Bank's expanded ambition to achieve broader socio-economic outcomes is a necessary response to the current global challenges. Most recent World Bank analysis, presented in the Report Poverty, Prosperity, and Livable Planet”, shows that global poverty reduction has stalled, with 8.5% of people living in extreme poverty and 44% living under \$6.85 per day, and at the current pace, it will take decades to eradicate extreme poverty and over a century to raise incomes above this threshold. Last year, according to Food and Agriculture Organization (FAO) of the United Nations, “The State of Food Security and Nutrition in the World 2024”, 733 million people worldwide endured the physical and psychological anguish of hunger, underscoring the urgent need for consensus-building and the fight against misinformation to drive the social changes necessary to eliminate poverty and hunger.

We commend President Ajay Banga for the announced World Bank commitment, in collaboration with global partners, to scale up social protection programs to support at least 500 million of people in developing countries by 2030, with a focus on ensuring that half of the beneficiaries are women and girls. Additionally, President Banga has declared that the World Bank Group will serve as the lead knowledge partner for the Global Alliance Against Hunger and Poverty, which was launched this year under the Brazilian presidency of the G20. Through the International Development Association (IDA), President Banga has also committed to providing financing to support countries in implementing policy options presented by the Global Alliance and to hosting an Alliance’s liaison personnel in Washington to assure coordination efforts.

We are all in a mission to transform the World Bank into a larger and more effective institution, to increase its ability to face global challenges, ensuring competitiveness in a multipolar world while maximizing the development impact of its financed interventions. To achieve this, the institution must adopt a strategic approach to loan pricing that prioritizes addressing global challenges over the accumulation of net income. This entails aligning financial mechanisms with the overarching goal of sustainable development, thereby

ensuring that resources are deployed efficiently and equitably to foster economic growth, reduce poverty, and address pressing global issues such as climate change, inequality, and health crises. By doing so, the World Bank can reinforce its role as a relevant player in the international development landscape, driving transformative change and fostering resilience in the face of an increasingly complex global environment. This is the reason we commend Executive Directors for recently reaching a consensus to review the loan pricing of IBRD. For our constituency, which represents approximately 20% of the IBRD's outstanding loan portfolio, ensuring appropriate pricing is essential.

The World Bank has made significant strides in advancing social safety nets for the most vulnerable populations, a mission that has gained paramount importance amidst the confluence of multiple global crises. Brazil stands as a testament to the profound impact of these critical policies. In 2014, Brazil successfully eradicated hunger through the implementation of robust policies aimed at combating hunger and poverty. However, between 2019 and 2022 the country saw a resurgence of hunger.

In 2023, under the leadership of President Lula, Brazil reinstated these renowned policies, resulting in rapid and substantial progress. The nation has fortified its social protection networks, lifting over 24 million individuals out of food and nutrition insecurity. The number of people facing severe food insecurity plummeted from 33.1 million in 2022 to 8.7 million in 2023, with prognoses indicating a continued decline until hunger is once again eradicated in the country. This remarkable turnaround underscores the critical role of sustained and effective social policies in safeguarding the well-being of the most vulnerable segments of society.

To ensure a robust and ambitious IDA21 replenishment the institution is centered on a strong commitment to the most vulnerable populations, as we acclaim the capacity of IDA to promote and finance the basket of evidence-based policies presented by the Global Alliance Against Hunger and Poverty. We expect IDA will be able to mobilize substantial resources and foster international cooperation to address poverty and hunger, thereby reinforcing the World Bank's dedication to sustainable development and inclusive growth. By leveraging these policies, the World Bank Group can enhance its impact on the ground, ensuring that the benefits of development reach those who need it the most.

The escalating global climate crisis necessitates an urgent and inclusive ecological transformation, ensuring that all nations, regardless of their economic standing, can participate and benefit. The World Bank Group, with its unparalleled influence and resources, is uniquely positioned to spearhead this critical transformation. By championing and developing innovative financial instruments, the Bank can effectively address and mitigate the multifaceted challenges posed by climate change on a global scale. For that challenge, concessional financial is critical for low- and middle-income countries.

Under the presidency of the G20, the Brazilian government has been at the forefront of showcasing pioneering solutions aimed at a “Just World and a Sustainable Planet”, by fighting inequality, fostering energy transitions and sustainable development and promoting global governance reforms. From reforming and strengthening MDBs to promoting international progressive taxation, increasing access to environmental funds and advancing concrete risk-sharing mechanisms to boost private investments for sustainable finance, these initiatives present an opportunity for the World Bank to significantly amplify its impact. By strategically leveraging these innovative propositions, the Bank can extend its reach and efficacy, thereby driving substantial and meaningful change across diverse regions globally. This collaboration not only underscores the commitment to sustainable development but also positions the World Bank as a pivotal player in the global ecological transformation agenda, ensuring that the benefits of these initiatives are realized on a broader scale.

We commend the Bank's plan to focus on Jobs in the future. The so-called Ecological Transformation Plan is a comprehensive strategy designed to foster job creation, enhance productivity, ensure environmental

sustainability, and promote social justice. This ambitious plan encompasses a wide array of initiatives aimed at advancing sustainable finance, fostering technological innovation, developing the bioeconomy, facilitating energy transition, promoting a circular economy, and constructing new, sustainable infrastructure. Through such a multifaceted effort, the Bank can articulate the agenda of jobs in a way that builds capacity to mitigate climate change, adapt to its impacts, and contribute directly to the preservation and restoration of vital ecosystems.

Currently, to illustrate the argument, according to the United Nations, nearly 40% of the world's land is degraded, presenting significant opportunities for the World Bank to finance projects that integrate land restoration, job creation, and transformative social inclusion. This scenario underscores the urgent need for a multifaceted approach that goes beyond traditional mitigation and adaptation strategies. The World Bank is uniquely positioned to expand its efforts to directly promote the preservation and restoration of global ecosystems and biodiversity. By doing so, the institution can play a pivotal role in fostering sustainable development, enhancing resilience against climate change, and ensuring that the benefits of these initiatives are equitably distributed among the most vulnerable populations. This expanded focus not only aligns with the Bank's mission to reduce poverty and support inclusive growth but also expands the benefits of a livable planet. The promotion and support of green jobs development hold immense potential to address the critical issue of limited availability of quality employment, particularly in low and lower-middle-income countries. By fostering the growth of green jobs, we can simultaneously advance environmental sustainability and economic development, creating a virtuous cycle of progress.

Colombia, one of the most biodiverse countries in the world, is currently hosting COP16. Our constituency shares the view that it is vital to transform global commitments into actionable plans, recognizing that biodiversity is the foundation of life on Earth. It is crucial not only for sustaining our planet's ecosystems but also for underpinning our global economy, creating better jobs, combating climate change, and ensuring the resilience of the food systems that feed the world.

It is profoundly encouraging to witness the World Bank's collaboration in the establishment of the Tropical Forests Forever Facility (TFFF), an innovative and visionary initiative dedicated to forest conservation. This facility epitomizes a groundbreaking approach that not only complements but also enhances existing global financing mechanisms, such as REDD+, by providing a dedicated and sustainable funding stream for the preservation of tropical forests.

Through its support in structuring the TFFF, the World Bank leverages its formidable institutional capabilities to empower a significant and complementary contribution to environmental sustainability. This initiative is pivotal in safeguarding vital ecosystems, preserving biodiversity, and supporting the livelihoods of communities that are intrinsically dependent on forest resources. The TFFF stands as a testament to the Bank's capacity to harness innovative solutions, thereby reinforcing global environmental stewardship and promoting sustainable development.

In the realm of energy transition, the World Bank is strategically positioned to broaden access to solutions that generate climate-positive and jobs-positive externalities, ensuring these advancements are accessible to all nations. Our countries are working at promoting the production and utilization of sustainable energy and fuels. Establishing national programs for the energy transition.

To operationalize its ambitious goals set in the Evolution, the World Bank must effectively implement its Global Challenges Program and enhance its capacity for coordination with multiple stakeholders to maximize operational impact. In this context, the role of Multilateral Development Banks (MDBs) as a cohesive system represents a global public good. President Ajay has been proactively forging partnerships with other organizations to amplify development impact, and this collaborative effort must persist. Understanding specificities of different governance of institutions, partnering with MDBs should

encompass the harmonization of common policies and procedures, the enhancement of operational efficiency, and the standardization of results measurement through similar scorecard systems. This strategic rationalization of MDBs holds the potential to fortify the international development framework, enabling these institutions to increase their risk appetite for financing projects that can generate significant global positive externalities.

Moreover, as recommended in the G20 Roadmap for Better, Bigger and More Effective MDBs developed during the Brazilian presidency with the participation of these institutions, it is imperative that the World Bank, in collaboration with other MDBs, supports platforms that are country-led, flexible, and meticulously tailored to the specific needs and interests of each nation. These platforms possess the potential to significantly enhance local coordination among various public, multilateral and private institutions operating within a country, thereby fostering a more cohesive and effective development environment. Brazil recently launched this week its Platform (called the Brazil Climate and Ecological Transformation Investment Platform). in order to boost the attraction of international investments in projects in strategic and priority sectors, with full alignment with Brazil's Ecological Transformation Plan. It is an innovative initiative in its way of construction, with a strong connection with Brazilian development strategy, flexible and well adapted to our needs and interests. The platform joins other instruments created under our administration to scale project financing and attract international private capital, such as Eco Invest, which both brings solutions for the mitigation of exchange rate risk and works with sustainable concessional financing lines.

To foster global prosperity, the World Bank can champion Domestic Resource Mobilization (DRM) initiatives rooted in progressive taxation, to address global inequality and advance social justice. This approach enhances fiscal capacity, enabling investments in healthcare, education, and infrastructure, driving inclusive growth and improving quality of life for all citizens. By supporting progressive taxation, the Bank aligns with sustainable development goals, reduces the fiscal burden on lower-income populations, and fosters a balanced economic system. Advancing DRM through progressive taxation is a strategic imperative to enhance social justice, mitigate inequality, and promote sustainable, inclusive development on a global scale.

Regarding the upcoming review of the Bank's shareholding, scheduled for negotiations next year. In different fora, Brazil has consistently advocated for reform in global governance, aiming for institutions to appropriately reflect the growing importance of Global South countries in the international architecture. Naturally, this includes the Bretton Woods institutions, in which enhancing the representation of developing countries would truly strengthen multilateralism. In our view, this shift in governance will further bolster the progress already achieved through the Evolution. Our constituency is open to actively contribute to building consensus wherever possible, leading to another chapter in the Bank's transformation towards being a better institution—one where the Global South feels more appropriately represented. We are of the view that the current formula used to assess voting power is useful to see structural changes, but it is one (of many) input for negotiations. Since it remains vulnerable to the impacts on countries like ours, which have seen growth disrupted by the pandemic and whose exchange rates have faced acute depreciation.

Our statement must also underscore the situation of Haiti. Regrettably, we must highlight the multidimensional crisis this member of our constituency continues to face. This crisis underscores the diverse and extreme challenges of development and the risks of neglecting them. Haiti is grappling with deepening poverty, and the looming threat of global food insecurity and famine. Addressing this crisis requires a comprehensive approach—beyond public security and military intervention—focused on overcoming development barriers, poverty, and inequality. After the most acute phase of the most recent crisis in the country, we are seeing signs of improvement, and we hope to count on the continued support of this institution and the international community. While we greatly appreciate the efforts and support of the IMF, World Bank Group, and other development partners, the need for intensified solidarity and swift,

coordinated action is urgent. We call on the World Bank Group to lead in delivering timely, enhanced assistance that targets the root causes of Haiti's crisis, fosters development and equality, and ensures swift donor coordination in the short term.