



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)



DC/S/2024-0063
October 25, 2024

**STATEMENT BY
MR. MOHAMED BIN HADI AL HUSSAINI, DC CHAIR**

Attached for information for the Members of the Development Committee is a Statement, which reflects the views of the majority of Committee Members, from Mr. Mohamed bin Hadi Al Hussaini, DC Chair following the Committee's one hundred and tenth meeting held on October 25, 2024.

Chair’s Statement: 110th Meeting of the Development Committee
Mr. Mohamed bin Hadi Al Hussaini,
Minister of State for Financial Affairs, United Arab Emirates

In the context of the 110th Development Committee Meeting that took place in Washington DC on the 25th October, several DC members discussed the global macroeconomic and financial impact of current wars and conflicts, including with regard to Russia, Ukraine, Israel, Gaza, Lebanon, and in other places. DC members underscored that all states must act in a manner consistent with the Purposes and Principles of the UN Charter in its entirety. They acknowledged, however, that the DC is not a forum to resolve geopolitical and security issues which are discussed in other fora.

Developing countries continue to face financing challenges, lingering inflationary pressures, food and nutrition insecurity, limited fiscal space, trade frictions, natural disasters, climate change, pollution, water and energy scarcity, and biodiversity loss. The situation is particularly acute for small states and countries affected by fragility, conflict, and violence (FCV). We ask the World Bank Group (WBG) and the International Monetary Fund (IMF) to work with countries to strengthen institutional and fiscal policy frameworks, improve debt management, and enhance resource mobilization. Furthermore, we ask the WBG to continue collaborating with policymakers to promote investment in key sectors and secure gains in gender equality, human capital, and digital innovation, and to reduce inequality between and within countries. Promoting sustainable, inclusive, and resilient economic growth is essential for client countries to meet their development goals. We are committed to a world free of poverty on a livable planet, in support of the Sustainable Development Goals.

We commend the WBG for taking action on the overlapping shocks that have set back years of development progress. We recognize that the WBG’s lending program reached a record \$133 billion in commitments and over \$80 billion in gross disbursements during the last fiscal year. We welcome the progress made on the WBG’s operational and financial model. We applaud advances in strengthening financial capacity and shareholder support through the Framework for Financial Incentives, including hybrid capital, portfolio guarantees. We welcome the establishment of the Livable Planet Fund and call for additional contributions for it. We look forward to discussions on the grant facility to project preparation.

We welcome the launch of the new WBG Scorecard to inform our strategic focus and report on development outcomes flowing from the WBG’s new mission and vision. We also welcome the launch of the WBG Academy, and the creation of decentralized Knowledge Hubs focused on data and water. We further recognize efforts to speed up project preparation and implementation, strengthen the One WBG approach, and establish joint WBG representation in country offices. We encourage the WBG to focus its capacity building initiatives in FCV and low-income countries. We look forward to the successful implementation of the Global Challenge Programs¹ to complement an enhanced country engagement model. Measuring results, leveraging knowledge, and expanding financial capacity are all part of achieving the vision and mission. We call on the WBG to continue efforts to increase operational efficiencies and effectiveness toward a better and bigger Bank for all clients. We thank the World Bank Group Boards and Management for delivering on the evolution agenda and its accomplishments. We commend the WBG for its leadership among MDBs and call on it to continue engagement to improve how MDBs operate as a system.

¹ (i) Forests for Development, Climate, and Biodiversity; (ii) Energy Access and Transition; (iii) Accelerating Digitalization; (iv) Food and Nutrition Security; (v) Enhanced Health Emergency Preparedness and Response.; (vi) Fast-Track Water Security and Climate Adaptation

We welcome the WBG Gender Strategy 2024-2030 and the corresponding robust implementation plan, including goals to accelerate gender equality, and strong gender policy commitments under IDA21. We welcome continued efforts to enhance gender equality on the Board and upcoming work to advance that agenda.

We acknowledge the WBG's leadership and commitment to reaching its climate finance targets and Paris alignment, including the important role that IBRD and IDA play. We stress the need to crowd in greater volumes of private sector finance. We ask that IFC and MIGA continue to bolster private investments and collaborate with partners to contribute to achieving these targets. We are encouraged that WBG climate finance reached an estimated 44 percent of total financing this past fiscal year. We also ask that the WBG continue to lead on innovative financing instruments, expanding on crisis preparedness and response efforts, knowledge, and sources of funding to support adaptation and mitigation in a balanced manner; boost resilience to natural disasters and support ecosystems, nature and biodiversity; expand connectivity and improve affordable access to energy and clean water, in particular in communities that need them the most, including as part of Mission 300. We welcome the deepening cooperation between the WBG and the IMF, within their respective mandates, to i) identify climate challenges and policy priorities; ii) implement reforms with partners; and iii) support country-led platforms upon request. This collaboration will provide critical support for countries' climate strategies through an integrated, country-led approach. We welcome the WBG's role as interim trustee and host of the Fund for Responding to Loss and Damage. We look forward to COP29 and other key UN engagements, where climate finance discussions will be of utmost importance.

By 2030, up to two-thirds of the world's extreme poor will live in countries affected by FCV, a crucial cross-border challenge for the global community. We are conscious of the acute food insecurity exacerbated by conflict, displacement, migration, economic instability, and humanitarian crises. We call on the WBG to remain engaged when crises hit and to continue to strengthen partnerships, including with the UN, and to engage with clients to align resources in support of the WBG FCV Strategy and underpinned through IDA, including its financing windows. Building robust institutions, stimulating private sector investment, providing market access, and establishing social safety nets are vital to bolstering inclusion and protecting livelihoods. We welcome the implementation of the recommendations of the FCV strategy midterm review.

It is important to continue building partnerships across multilaterals, governments, and the private sector to strengthen health systems toward universal health coverage, bolster early-warning systems, and invest in prevention and preparedness capacities, including community participation in public health emergencies. The surge of Mpox in Africa is of grave concern. We recognize the high demand for the Pandemic Fund, focused on scaling up critical prevention, preparedness, and response capacities, and are grateful for the funds mobilized under the first and second calls. We welcome the steps the World Bank Group has taken to advance the pandemic preparedness priorities raised at last year's Annual Meetings. We also welcome the WBG's ambition to expand health services to 1.5 billion people by 2030, as well as the finalization of broad principles for cooperation on pandemic preparedness among the WBG, IMF, and the World Health Organization. We underscore the significance of advancing strong partnerships across International Financial Institutions (IFIs), United Nations agencies, and other public and private partners as the most vulnerable face to respond to an unprecedented series of development challenges. The 4th International Conference on Financing for Development planned for next year is an opportunity for the international community to engage on these issues.

Many developing countries are facing heavy debt burdens. We underscore the role of domestic resource mobilization and the need to improve the quality of spending, while combatting illicit financial flows. We reiterate our call for the WBG and the IMF to continue to work together on debt sustainability issues, within their respective mandates, and support the timely and orderly implementation of the Common Framework for eligible countries. We look forward to the review of the Debt Sustainability Framework. We reaffirm the importance of joint efforts by all actors, including private creditors, to work toward

enhancing debt management and transparency and preventing future debt crises. We call on the international community to step up support to countries whose debt is sustainable, but who still face near-term liquidity challenges.

The private sector is key to creating jobs and economic transformation, particularly for women and youth. We urge the WBG to continue their work to crowd-in private capital, and to make additional progress in meeting IFC's 2018 capital package target deploying 40% of all commitments in IDA and FCV affected countries. We appreciate the collaboration with the Private Sector Investment Lab and its recommendations. We welcome ongoing efforts to implement the WBG Guarantee Platform, including to boost the guarantee business; develop local-currency, foreign-exchange, and originate-to-distribute solutions; publish GEMs statistics; and have an inaugural launch of the Warehouse-Enabled Securitization Platform. We ask that these efforts continue to mitigate barriers, mobilize capital, foster enabling environments, and create new markets through a One WBG approach. We welcome the creation of the WBG High Level Advisory Council on Jobs.

We reiterate our strong support for IDA and commit to concluding a robust and ambitious IDA21 replenishment in December. We welcome its strategic directions and proposed policy package, with a focus on delivering impact. We are encouraged by the alignment of IDA's policy package with the WBG's evolution priorities, including its outcome orientation and results measurement framework. We appreciate the enhancement of IDA's financial capacity through Capital Adequacy Framework measures. We also welcome efforts to simplify country-level policy commitments and harmonize borrowing terms. We call on all partners to ensure that the policy and financial package addresses the multiple challenges faced by IDA countries. We call on new donors to step forward and join the IDA community of contributors to help safeguard IDA's long-term sustainability.

We welcome the establishment of the IBRD Framework of Restoration Measures for Capital Adequacy, which further strengthens IBRD's risk management and protects its triple-A rating, and the related adjustment to IBRD's capital adequacy policy minimum equity-to-loan ratio. We also welcome the creation of the IBRD Enhanced Callable Capital instrument, which will provide shareholders with another avenue to support the expansion of IBRD's financial capacity. Further, we call on the Board and Management to provide an assessment of the alignment of IBRD financial capacity with the WBG vision and mission. We welcome the WBG's commitment to enhancing its value proposition, support the approved adjustments to IBRD's pricing structure, and look forward to ongoing discussions.

As the WBG scales up work in more challenging environments, we reiterate the importance of accountability mechanisms in enhancing development outcomes and stimulating institutional learning and feedback. Ensuring compliance with and ownership of the WBG's environmental and social standards, as well as a strong outcome orientation, is critical for the institution's contribution to development. We welcome steps taken to strengthen the World Bank's Environmental and Social Framework, and including through a greater focus on country capacity building, and scaling up anti-corruption efforts.

We welcome the Report to Governors on the technical preparations for the 2025 Shareholding Review and endorse its recommendations. We attach great importance to these regular reviews, in line with the Lima shareholding principles. We look forward to the Board making progress on work on the 2025 Review and reporting to Governors by the 2025 Annual Meetings.

The Governors thank the Chair and welcome Her Excellency Elisabeth Svantesson, Minister for Finance, Sweden, as Chair of the Development Committee for the November 2024–October 2026 period.

The next meeting of the Development Committee is scheduled for April 2025, in Washington, D.C.