



**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 ELEVENTH MEETING  
WASHINGTON, DC – APRIL 24, 2025**

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**Statement by**  
**Alexey Overchuk**  
**Deputy Prime Minister**  
**of the Russian Federation**

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

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**On the global economy and Russia**

The global economy continues to experience significant strains, particularly affecting emerging markets and developing economies (EMDEs), which grapple with the lasting effects of the COVID-19 pandemic, the impact of monetary tightening in advanced economies, and ongoing geoeconomic fragmentation. Global trade growth is slowing, constrained by rising protectionism and persistent supply chain disruptions. In this context, clear, consistent, predictable and transparent rules of global trade combined with improved access to capital are crucial for fostering stability, restoring investor confidence, and supporting long-term economic resilience.

Against this backdrop, the World Bank could take a more active role in revitalizing global trade dynamics. Prioritizing support for EMDEs, through investments in trade facilitation, cross-border infrastructure, and institutional capacity, can help foster more inclusive and sustainable growth.

Russian economy continues to demonstrate consistent growth amplified by strong consumer demand, favorable business environment, enhanced economic integration with major trade partners, and successful import substitution. The last year's GDP growth has surpassed initial expectations and reached 4.1%, and this year it is projected to reach 2.5%. Real household income increased by 8.4% in 2024, while the number of people living below the poverty line fell significantly, decreasing by 1.7 million. Furthermore, new opportunities are emerging for the private sector with the strengthening of regional trade and integration within the Eurasian Economic Union. We aim to secure lasting gains in digital innovation and resilient domestic production by advancing capacity building, accelerating technological development, and enhancing investments in human capital.

**On World Bank Group's role as a multilateral development institution**

The World Bank Group remains a key platform for multilateral collaboration and the largest provider of development assistance by leveraging sustained concessional financing and playing a counter-cyclical role where necessary.

Key to the WBG's leadership is its client-centered approach. We welcome ongoing efforts to rethink the Country Engagement Model and anticipate outcomes that deepen understanding of country-specific contexts, facilitating alignment with national objectives and contributing to greater responsiveness to clients' evolving needs.

A part of it is ensuring effective and inclusive procurement process, which remains an important component in strengthening project outcomes and boosting overall development effectiveness of the WBG's operations. We note recent changes in the procurement framework and emphasize the importance for the Bank to leverage national procurement systems while increasing investments in capacity building. Procurement practices should actively support local businesses to foster private sector growth in developing countries and promote fair competition. We caution against prioritizing non-economic factors in procurement decisions, which may lead to increased costs for clients.

To remain relevant and to preserve spirit of multilateralism, the World Bank should maintain its non-political mandate. We urge management to refrain from politicization in its financing, its project documents, analytical reports, operations or procurement and to maintain a consistent and transparent approach towards its clients. The World Bank must avoid creating gaps in engagement in the form of suspending operations based on political reasons, as observed in the case of Republic of Belarus and Syrian Arab Republic. It is essential for the World Bank Group to remain impartial, ensuring equality and non-discrimination.

Delays with G4 visa issuance for Russian and Belarussian citizens employed by the World Bank Group remains a significant concern. The WBG is well-poised to stop this unfair treatment, which affects staff's daily lives and creates impediments in their careers. In the past the Bank has demonstrated its resilience against similar challenges. We expect tangible progress to be made to ensure that all staff is treated equally and not discriminated on the basis of their nationality.

## **On Jobs**

Benefiting from a demographic dividend is critical for ensuring growth and development in EMDEs, especially as a demographic window is opening in some regions while maturing in others, necessitating targeted policies to foster job creation and boost productivity. For instance, Sub-Saharan Africa's working-age population is projected to increase from 56% in 2010 to over 65% by 2050, presenting a significant opportunity for economic growth if harnessed effectively.

Increased investment in regional infrastructure, particularly in transportation, energy infrastructure and food systems, is crucial for private sector growth and sustainable job creation. Additionally, we encourage investments in manufacturing as they play an essential role in driving economic growth, enhancing competitiveness, and fostering long-term productivity gains. A tailored approach should be developed to incentivize productivity improvements which translate into higher demand for labor and technology diffusion across the private sector, thus fostering an inclusive and sustainable industrial transformation. Although such initiatives demand substantial capital and resources, they play a pivotal role in enabling long-term economic development, regional integration, and the creation of higher-quality employment opportunities resulting in more and better jobs. Given the extensive scope of these projects, we urge the WBG to strengthen partnerships with other multilateral development banks and regional financial institutions, especially from developing countries, to effectively coordinate efforts and minimize fragmentation of development aid.

The Jobs and Economic Transformation (JET) agenda emphasizes sustainable, quality jobs that foster economic stability at household and national levels. Given that some employment opportunities will require new skill sets, the WBG's education-focused operations should adapt accordingly. Education capacity building is crucial for sustainable and diversified employment opportunities. In this context, we highlight the importance of increasing school retention levels, especially among women, enhancing support for technical and vocational training as well as digital and entrepreneurial skills development.

Additionally, the World Bank Group should enhance local capacities, creating a foundation for sustainable growth. Localization of manufacturing within global value chains in EMDEs will lower costs, strengthen domestic markets, and diversify economies. We particularly welcome the High-Level Advisory Council on Jobs' attention to local industries such as healthcare, a sector that remains underdeveloped in terms of technological innovation, vaccine and medication production, and quality healthcare delivery. We welcome this dialogue and look forward to actionable and practical recommendations from the Council.

As a knowledge institution, the World Bank has significantly contributed to global research, offering analytics on countries, sectors, policy reforms, and broader international challenges. We support the decision to align core knowledge products with the Evolution Agenda, integrating jobs analysis into the new Growth and Jobs Reports. We anticipate that this closer alignment between knowledge products and operational practices will facilitate smoother implementation of knowledge-driven recommendations. Ultimately, we hope the Bank's flagship reports will foster deeper client engagement on key issues, thereby

enhancing the effectiveness and impact of the country-level operations. Moreover, we anticipate a stronger and more visible contribution from knowledge institutions and research centers in the Global South to the Bank's analytics through enhanced collaboration. The WBG's role in fostering these institutions as integral components of national innovation systems remains underutilized, yet it holds significant potential. Strengthening this engagement would be crucial to ensuring equitable access to technologies and cutting-edge knowledge.

## **On finance**

Promoting economic growth, sustaining development gains and advancing progress towards addressing the most pressing challenges of the low and middle-income countries in the face of deteriorating macroeconomic environment will require more concessional resources and enhanced private capital mobilization (PCM). As the World Bank Group advances its ambitious job creation goals, it is essential to strategically leverage the available financial resources through the One WBG approach, effectively combining public and private sector interventions.

In this context we welcome the commitment to triple annual guarantees issues to \$20 bn by 2030 through the Unified Guarantee Platform, as well as IFC's innovative financial solutions to engage the private sector, including IFC's Emerging Markets Securitization Program. Additionally, we strongly support MIGA's expanded role in improving the business environment in EMDEs and de-risking private capital investment to enable further private sector mobilization. Nevertheless, we believe that introducing new financial tools should be accompanied by a thorough risk assessment and analysis and be tested in a pilot regime.

Addressing international and domestic liquidity challenges is essential for enhancing mobilization efforts and increasing equity investment could be a part of the solution. However, while elaborating on equity and venture models, we should not oversee safeguard mechanisms to maintain institution's countercyclical role in tight financial markets and ensure sustainable borrowing costs. Furthermore, we believe that value proposition with regard to equity investments should be pivoted towards emerging economies.

We acknowledge the Bank's recent efforts to enhance its value proposition, tailoring its financial products to the clients' needs, while increasing the added value of its knowledge products. We look forward to continuing the discussion on affordable pricing and adjusting lending terms, as the Bank deems financially reasonable, while maintaining the institution's triple-A rating and Preferred Creditor Status. In this context, we strongly advise against any further reduction of the Equity-to-Loans ratio. Additionally, a cautious approach to net income allocation is necessary. While initiatives such as the Grant Facility for Project Preparation, the Livable Planet Fund and Frontiers Opportunities Fund are valuable, funding them via IBRD or IFC net income transfers should be avoided. Instead, the WBG should prioritize building up reserves, as this ultimately enhances lending capacity and maximizes the organization's impact and financial capacities across all client countries.

## **On the Approach to Energy and Digital**

*Energy* remains a pivotal area, encompassing access, security, and affordability, with varying implications across countries – from exporters to importers, and from low-income to middle-income economies. We expect the World Bank to prioritize the benefits of energy sector development in alignment with national priorities. While we commend the ambitions of Mission 300, these efforts alone will not be sufficient to ensure the long-term development of the African continent. In this context, leveraging Africa's oil and gas resources as well as critical minerals production is crucial for fostering a domestic market that supports not only household electricity access but also industrial development and faster energy transition — an essential step toward addressing poverty and inequality through job creation.

Additionally, we see significant opportunities in nuclear energy. While acknowledging the cost and time requirements of such projects, we believe the Bank can play a stronger role in building knowledge and capacity, particularly in the rehabilitation of nuclear plants and the development of small modular reactors.

Supporting countries' strategic ambitions on nuclear energy, while instilling confidence in other development partners and the private sector to invest, will facilitate the capital required to achieve enhanced clean and reliable power generation. These efforts should go in hand with modernization of transmission systems as well. In this regard, supporting the development of the energy sector through an ecosystem approach is essential for meeting the growing global demand for power in a comprehensive and sustainable way.

Another area that requires a focused approach from the Bank is the *digital sector*. While we appreciate the Bank's efforts in this domain, the challenges continue to grow. Artificial intelligence (AI) presents significant opportunities, but it also has the potential to exacerbate existing inequalities and labor displacement, both within and between countries. In this context, we look forward to next year's World Development Report on AI's role and hope it will provide valuable insights for emerging markets and developing economies.

Beyond AI's broader implications, we see substantial potential in leveraging digital technologies and AI in tax administration and the banking sector. Expanding the tax base while ensuring swift and user-friendly access to these services is crucial for domestic resource mobilization (DRM). We encourage the Bank to take a more active role in this space. Russia's experience demonstrates that the effective use of digital tools can significantly enhance DRM, drive economic development, and improve transparency and accountability – critical factors in addressing illicit financial flows.

To formalize and elaborate the Bank's approach in energy and digital we deem it crucial for it to develop energy and digital sector strategies. While reaching consensus on some of these issues may be challenging, they are fundamental to development and will shape the Bank's ability to fulfill its mission and vision.

### **On Syria**

We urge the WBG to provide urgent and necessary support to the Syrian people amid their ongoing humanitarian crisis and the critical developments occurring on the ground.

### **On Shareholding**

We welcome the launch of the Shareholding Review and look forward to a fair, consensus-based process that serves the interests of all shareholders and gives due consideration to the voices of the developing world and underrepresented economies.