



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)

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WASHINGTON, DC – APRIL 16, 2026

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April 16, 2026

Statement by

The Hon. Dr. Jim Chalmers, MP
Treasurer

Australia

**On behalf of the constituency comprising Australia, Cambodia,
Kiribati, Korea (Republic of), the Marshall Islands, the Federated States of
Micronesia, Mongolia, Nauru, New Zealand, Palau, Papua New Guinea,
Samoa, Solomon Islands, Tuvalu, and Vanuatu**

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113th Meeting of the Development Committee

**April 16, 2026
Washington, DC**

Global economic context

The global economy has been impacted unevenly by a range of disruptions over recent years, leaving many countries vulnerable to further economic, financial, and geopolitical shocks. Disruptions to trade patterns and global supply chains have increased uncertainty, undermining economic growth and development opportunities.

The ongoing effects of the war in Ukraine continue to weigh on the global economy. At the same time, unfolding events in the Middle East highlight the increasingly complex and interconnectedness of current global challenges, with implications that will not be felt uniformly across countries. The humanitarian costs for hundreds of thousands of innocent people in active war zones across the globe are tragic. We are concerned about the impact on other protracted crises, including in Myanmar and Cox's Bazar – where economic and supply pressures will push already-stretched humanitarian services, and the wider ripple effects on economic and food insecurity.

Material price increases and disruption in access to refined petroleum and related products increase the risk of severe economic consequences on countries heavily reliant on such imports. These impacts will be felt broadly through a range of channels, including shipping costs, access to food and fertilizers, and a range of other base products derived from within the Middle East. As COVID-19 highlighted, small states are uniquely exposed to price shocks and fuel shortages – with our Pacific Island constituency especially vulnerable to oil price fluctuations and supply chain disruptions.

We continue to support all meaningful efforts towards a cessation of all conflicts, recognizing that doing so is essential to restoring stability and building prosperity.

While we acknowledge the World Bank Group's primary role as a development institution and support all efforts to deploy its crisis toolkit at scale and with speed, we also encourage maintained focus on its medium to long-term goal of delivering development impact in line with its vision and mission. This includes addressing the ongoing and compounding impacts of climate change.

Creating more and better-paid jobs

We welcome the Development Committee paper on Creating the Enabling Environment for More and Better-Paid Jobs, and support the Bank's highlighting the accumulation of physical, financial and human capital as the central pathway to poverty reduction, shared prosperity and social stability. We support the Bank's emphasis on job creation to address development challenges.

We agree that addressing the scale and urgency of the jobs challenge - particularly for young people and women - requires a predictable, fair and well-functioning regulatory environment. This is not about deregulation, but about better regulation—clear rules, effective institutions, and credible enforcement that reduce uncertainty, foster consumer confidence and enable firms to invest, grow, and hire.

We support the Bank's focus on practical reforms that remove unproductive constraints. The emphasis on linking diagnostics to delivery, pairing policy reform with capacity building, and integrating public and private solutions across the World Bank Group is particularly welcome.

As the jobs agenda implementation proceeds, we encourage the Bank to maintain a strong focus on country context, political economy, and institutional capacity—especially in fragile and small states—while continuing to prioritise reforms that are scalable, durable, and measurable. We also welcome the introduction of the new jobs indicator in the Corporate Scorecard and look forward to its use as a tool for accountability and learning.

A lot of business activity can create negative spillovers if left unchecked; these side-effects include community safety, the degradation of nature, and greenhouse gas emissions. In line with its mission to end poverty on a livable planet, it is important that the Bank continues to support policies and regulations that balance the need to mitigate these negative spillovers with other business priorities.

The Bank must maintain its high standards and safeguards in projects it finances. These safeguards must protect communities and the environment while recognizing and minimising the impost on the client that must implement them, particularly those with the least capacity.

Strong safeguards are no longer sufficient to address threats such as climate change and biodiversity loss. The Bank must support clients to build an enabling environment for investments that reduce greenhouse gas emissions and stem biodiversity loss. This work is crucial to our region, the Pacific Islands, where climate change is an immediate and existential threat. Tuvalu, the Bank's smallest member, rises to just 4.6 metres above sea level at its highest point and is projected to be totally submerged within this century if current trends in sea-level rise continue. Together with Fiji, Tuvalu will host the pre-COP meetings later this year, so global leaders can experience the vulnerability to related climate impacts and solutions firsthand.

Small States Strategy

We welcome finalisation of the Bank's Small States Strategy, a significant representation of how the Bank can engage with more agility and circumstance recognition with some of its most vulnerable members. The Strategy is as relevant to policy and regulation as it is to infrastructure development, and, therefore, must be mainstreamed in all the Bank's work.

A differentiated approach to small state project and advisory engagement is required, regardless of whether basic enabling policies are universal, such as sound macroeconomic and fiscal policy, or tailored to small states, such as policies designed to increase their resilience to climate change. This often means an emphasis on simplicity and in-country capacity support and supplementation is key to success.

Procurement and operational effectiveness

A well-functioning procurement framework is critical to achieving project quality and durability, and development outcomes. The Bank has shown leadership in MDB procurement reform, and we encourage continued robust implementation of existing policies, alongside the development of new tools and approaches to increase competition, broaden regional supplier participation, build local capability, and improve project quality.

In small states in particular, procurement innovation will be critical to reducing costs and accelerating delivery. We welcome the emphasis on hands-on expanded implementation support, Bank-facilitated procurement, and the use of digital and analytical tools to streamline processes and manage risk.

Alongside its own operational innovations, we support the Bank's ongoing work with other partners to improve client country systems for making and managing capital investments, including through capacity support and supplementation. Strong public investment management systems and capacity for monitoring, implementation and ongoing maintenance enable countries to maximise the long-term development effectiveness of all investments, not only those supported by the Bank.