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(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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April 16, 2026

**Statement by**

**H.E. Dario Durigan**  
**Minister of Finance**

**Brazil**

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

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

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Since the 2008 global financial crisis, successive shocks and geoeconomic fragmentation have been affecting the ability of developing economies to address pressing issues and promote growth. These nations now face added pressure due to the economic impact of the recent Middle East conflict. Nations are striving to address long-term priorities such as job creation, fighting poverty and all forms of inequality, which calls for enhanced government efficiency. At the same time, increasing productivity and managing fiscal pressures while protecting vulnerable populations. It also remains essential to adapt and mitigate climate change and preserve biodiversity. Now countries must also respond to safeguard their citizens from the impacts of the conflict in the Middle East.

The World Bank must bring its financial instruments and expertise to support member countries, and to facilitate the implementation of counter-cyclical measures. The conflict has contributed to rising oil prices, and further disruptions in global supply chains. Continued tensions may result in strain on energy prices and availability, interruptions in industrial supply chains and impacts on food security and poverty. Preliminary estimates from the World Bank indicate that an additional 16 million people may face food insecurity as a direct outcome of the conflict, while global growth projections could fall 40% and inflation rise by 60%.

While we support the WBG crisis toolkit, we recommend the implementation of measures to assist countries in reducing borrowing costs. Actions might include lowering lending spreads, waiving front-end and commitment fees, extending loan terms and grace periods for loans addressing crisis situations. Additionally, adopting a multiphase financing strategy for food security and social protection is a valuable complement to support countries and regions. These approaches are consistent with those employed during the 2008 financial crisis and the COVID-19 pandemic. Given these circumstances, the World Bank's commitment to provide social protection to 500 million individuals by 2030—particularly focusing on 250 million women—is increasingly significant. Furthermore, collaboration with the Global Alliance Against Hunger and Poverty is essential for effective responses to the challenge of food insecurity.

The governments in our constituency are implementing counter-cyclical measures to mitigate the economic shocks from the recent surge in commodities prices. Brazil is working to maintain access to fertilizer and leverage its renewable energy sector, to lessen the impact of oil price volatility. It has also waived taxes on diesel and temporarily taxed crude oil exports to offset fiscal impacts and protect domestic supply. Additional measures include combating abusive pricing, freighting tariff protections for truck drivers, and assessing biofuel blending mandates. In Dominican Republic, the government has temporarily suspended certain fuel taxes and introduced subsidies to stabilize domestic prices and protect consumers. The Philippines has focused on managing inflation and ensuring stability through targeted interventions to absorb external price shocks. These strategies reflect a commitment to protecting our economies and populations from the immediate effects of the crisis. The Bank has an important supporting role in this journey.

The rise in international conflicts and their harmful effects on vulnerable populations shows the need for effective and strong multilateral institutions, not weaker or more fragmented ones. As global public goods, cross-border risks, and humanitarian crises become more connected, institutions like the World Bank must remain spaces for consensus building and collective problem-solving. This is why we examine how the Bank management is approaching changes to the implementation of its graduation policy. The Bank should not step back just when challenges demand deeper engagement, including with middle-income countries.

We understand the argument of graduation as a milestone in a country's development path. But if, in practice, graduation is perceived as the Bank leaving space for a more fragmented support landscape, the institution risks undermining its relevance and effectiveness. A narrow focus on graduating countries would weaken the institution, constraining its ability to mobilize knowledge and finance at scale, and contributing to a more fragmented development architecture. The Bank should preserve the voluntary nature of graduation, ensuring that the process is demand driven, flexible, framed by specific contexts and operationalized in coordination with each country.

Among the development challenges, climate change is a concrete and urgent problem that must be addressed pragmatically, grounded in science, knowledge, and sound public policy. While we are committed to reducing emissions and advancing energy transitions, we equally face the need to mitigate impacts and, above all, to strengthen adaptation. Across our constituency we are experiencing more frequent and severe droughts in some regions, devastating floods in others, or hurricanes and typhoons that destroy infrastructure built over decades, with profound consequences for livelihoods in both urban and rural areas. In this context, the World Bank's Climate Change Action Plan (CCAP) is a critical instrument in ensuring the institution remains focused and equipped to support our countries in addressing these challenges. We therefore would support its extension, alongside a rigorous evaluation of its effectiveness to inform the path forward.

We would also like to reaffirm our support for initiatives such as the Framework for Financial Incentives and the Livable Planet Fund, which are critical to mobilizing additional lending capacity at affordable cost. Initiatives like those are at the heart of the Evolution Roadmap and align with global challenge priorities as reflected in previous G20 and the UN agenda. We hope the Bank keep their funding base robust, given our livable planet mission.

We express our appreciation to the World Bank and the Board of Executive Directors for their support in advancing the Tropical Forest Forever Facility (TFFF). Its establishment as a Financial Intermediary Fund marked a milestone ahead of COP30, and we value the Bank's technical support in shaping its financial and institutional design, as well as its role in providing the secretariat and treasury services. We are encouraged by the launch of the TFFF at COP30 in Belém, which mobilized more than USD 6 billion in pledges and brought together a broad coalition of partners, marking a new chapter in global environmental finance. 67 countries have already endorsed the initiative. This international support shows the transformative potential of the TFFF to address market failures and create incentives for the protection of tropical forests. This partnership with the World Bank is essential, as the TFFF will reshape the way the global community supports forest conservation, and we look forward to the Bank's engagement as governance arrangements advance and the Facility moves toward full operationalization.

To promote more and better jobs, we appreciate the emphasis on "better" jobs and the identification of high value-added manufacturing as a critical sector for the jobs agenda. Many employed individuals remain in poverty, as their occupations are either informal or of low productivity. One challenge in our countries is the high level of informality, which translates into lower protection, growth opportunities, and dignity that come with formal economic participation. Simplified tax systems, easier registration processes, and improved access to credit and advisory services can help reduce burdens, supporting non-bureaucratic, digital, and efficient governments. However, these measures provide only partial solutions and do not fully explain why economies have not progressed toward increased value addition, technological advancement, diversified production and, finally, better jobs.

Labor markets reflect an economy's structure. Reliance on raw commodities, limited industrialization, weak technology, fragmented value chains, and low public investment are linked to large shares of the population in low-wage jobs. Without addressing these structural issues, policies will only offer temporary fixes rather than lasting change.

In summary, we support the agenda outlined in the Development Committee's paper on "Creating the Enabling Environment for More and Better-Paid Jobs." Additionally, we suggest emphasis on the importance of enhancing government's capacities for effective regulation and social protection. We also appreciate the Bank's acknowledgment of "Industrial Policies for Development" in its latest publication.

We should go beyond a narrow focus on regulatory predictability and simplification and embrace an ambitious agenda of social and productivity-enhancing policies. For too long, industrial policy was treated in the Bank with suspicion, as if any attempt by developing countries to shape their productive structures was an unwarranted deviation from some neutral, self-correcting global market. In practice, this skepticism translated into a one-sided openness: developing countries were encouraged to liberalize and specialize in primary commodities, while more advanced economies continued to deploy sophisticated industrial strategies. This asymmetry led to the maintenance of low value-added production and, consequently, to the persistence of informality and low productivity jobs.

It is time to acknowledge that countries need policy space, accessible financial resources, and technical support to design and implement strategies that foster high value-added employment. This is not a call for a return to protectionism, but for an evidence-based approach that recognizes the role of the state in coordinating investment in strategic sectors, and enhancing firms' and workers' capabilities. Industrial policy, when well designed and transparently governed, is a tool for expanding opportunities.

The issue of critical minerals offers a particularly stark illustration of what is at stake. Many of the Bank's client countries are rich in minerals that will power advanced technologies, including the ones critical to the green transition. Yet, without deliberate policy choices led by countries, there is a risk that history will repeat itself: these countries will once again be confined to the role of raw material exporters, while the higher value-added segments of the supply chain are located elsewhere. This would be a new chapter in an old story of extraction without transformation.

To avoid this outcome, the World Bank Group must help countries overcome their colonial constraints as commodity exporters. This requires the development of integrated, high value-added production chains around critical minerals: from responsible extraction to local processing, component manufacturing, and, where feasible, final goods production. It also requires investing in skills, infrastructure, and regulatory frameworks that make such integration viable and sustainable. Financing, policy advice, and convening power should be aligned with this objective.

A more balanced and genuine approach to informality and industrialization will require us to embrace complexity. It will require us to recognize that formalization is not a matter of registering firms, but of transforming economies; that productivity is not only about micro-level efficiency, but about the structure of production; and that policy space is not a luxury, but a necessity for countries seeking to overcome historical disadvantages. It will also require us to accept that countries may pursue different paths, and that our role is to support their choices, not to impose a single model.

If we succeed, informality will no longer be seen as an inevitable feature of our economies, but as a challenge that can be overcome through inclusive, and historically aware policy choices. And the World Bank Group will have played its part not only as a financier, but as a partner in the pursuit of a more just and dignified development for all.

Given that Haiti is part of our constituency, we emphasize that in countries facing Fragility, Conflict, and Violence (FCV), the Bank's operational approach must account for these complexities. In these situations, key elements of an enabling environment—security, institutional capacity, and enforceable regulations—

are often absent. The need for adaptation is only the initial step; we must transition from understanding “why” to addressing “how.” In numerous FCV nations, micro and small enterprises are not just a leftover segment: they form the economic backbone. Supporting these businesses with early-stage efforts to strengthen institutions should be considered the primary strategy.

We see two priorities for strengthening the framework. First, the Bank’s approach should set out explicit FCV sequencing pathways, clarifying how reforms can advance under conditions of insecurity and weak state capacity, including through transitional or third-party delivery arrangements. Second, it should provide guidance on the deployment of IFC and MIGA instruments in fragile settings, where regulatory certainty alone will not be enough to crowd in private capital. Only by embedding these FCV-specific approaches we can ensure that the agenda on jobs and private investment is inclusive.

Carrying out the 2025 Shareholding Review has been an important process in the difficult journey of improving the representation and participation of Global South countries at the World Bank. During this process, we are reaffirming our dedication to the Lima shareholding principles and the Dynamic Formula to help us assess misalignment in the distribution of shares. The Board has guided this process in a transparent and inclusive way, as must be done in a multilateral institution.

Although the review could have delivered far-reaching changes, the challenging global environment makes it difficult to build consensus. After two consecutive reviews without substantive progress, we must enhance the preparatory process for the 2030 Shareholding Review to facilitate a more ambitious outcome.

These objectives may be pursued within the framework of shareholding, as well as through efforts to improve the representation and voice of client countries. Measures, such as increasing the presence of countries representatives at the Bank’s board or implementing a double majority requirement for the election of the President should be again considered to preserve and promote the institution’s legitimacy.

On the mission to modernize the World Bank Group, we consider that it is time for an integrated approach to the accountability mechanisms of the World Bank Group. This integration will optimize governance, enhance accessibility and efficiency, and generate economies of scale in the service of fair and timely dispute resolution. This is about a substantive step in the broader modernization of multilateral institutions that our constituency has consistently championed. By aligning the World Bank Group with the best practices adopted by other multilateral development banks, such integration will foster greater predictability, and trust in initiatives across the institution. It is also fully consistent with the Bank’s Evolution agenda and with the “One World Bank Group” approach, in which all entities of the Group operate in a more integrated and mutually reinforcing manner.

Let us act with purpose and determination in advancing the World Bank Group’s mission – to end extreme poverty and promote shared prosperity on a livable planet – for the benefit of both present and future generations.