



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/2022-0035
April 22, 2022

**STATEMENT BY
MS. AZUCENA ARBELECHE, DC CHAIR**

Attached for information for the Members of the Development Committee is a Statement from Ms. Azucena Arbeleche, DC Chair following the Committee's one hundred and fifth meeting held on April 22, 2022.

Chair's Statement: 105th Meeting of the Development Committee

Ms. Azucena Arbeleche, Minister of Economy and Finance,

Oriental Republic of Uruguay

1. *The Development Committee (DC) recalls that on March 2, the United Nations General Assembly by a majority of 141 countries adopted the resolution ES-11/1 “Aggression against Ukraine”^[1] that “deplores in the strongest terms the aggression by the Russian Federation against Ukraine in violation of Article 2 (4) of the Charter” and “demands that the Russian Federation immediately cease its use of force against Ukraine”. Thirty-five countries abstained from the vote; five countries voted against the resolution; some countries expressed no position. The DC recognizes that Russia’s war against Ukraine has massive humanitarian consequences and detrimental repercussions for the global economy through direct and indirect channels. The DC calls for a speedy resolution through diplomatic channels, including “political dialogue, negotiations, mediation and other peaceful means”^[2], and for greater international cooperation and strengthened multilateralism to prevent fragmentation and safeguard global economic integration.*
2. The global economy faces tighter and more volatile financial conditions as well as compounding crises related to public health, human capital, climate change and biodiversity, food and energy insecurity, debt, refugees and internal migration, and fragility, conflict, and violence (FCV). The impacts will be felt most by low-income countries (LICs) and middle-income countries (MICs), especially their most vulnerable people, including women and children. Economic recovery is likely to remain at risk amid geopolitical tensions, with investment, trade, and global economic growth affected by commodity price shocks, supply chain bottlenecks, inflationary pressures, and disruptions in remittances. The possible emergence of new COVID-19 variants underscores the

^[1] Quote from [UN Resolution ES-11/1](#).

^[2] Idem.

need to prepare for further risks from the pandemic and address the uneven deployment of vaccines. Tax evasion, corruption, as well as illicit financial flows, also remain concerns. We ask the WBG and the IMF to remain vigilant, coordinate actions, and orient their country engagement toward a green, resilient, and inclusive economic recovery, while remaining focused on the twin goals of ending extreme poverty and boosting shared prosperity and helping countries achieve the SDGs.

3. The sharp rise in prices for food, energy, and other commodities is weakening food systems and hitting the most vulnerable the hardest, undermining poverty alleviation efforts and exacerbating inequality both in LICs and MICs. Higher costs for fertilizers and supply constraints for staple crops, combined with water scarcity, floods, droughts, and other climate change impacts especially affect small farmers and threaten global food security. We ask the WBG to use all its tools to increase its financing, policy and analytical support to help countries address immediate food security and social protection needs; we also urge it to coordinate closely with MDBs, WFP and other UN agencies, the WTO, the IMF, and other stakeholders on the global response to the crises. We call on the WBG to continue supporting countries in implementing policies to increase resilience amid reduced food supplies, while working to address the underlying vulnerabilities that have exacerbated food insecurity, and to dissuade policy makers from any actions that could negatively impact food markets.
4. The war in Ukraine and other conflicts in recent years have forcibly displaced millions and spurred a rapid rise in the global refugee population, placing strain on host communities. We applaud the WBG for its commitment to address fragility, conflict, and violence; and for nearly tripling IDA financing to FCV in the last five years. We call for enhanced field presence and financial support in such situations. We call on the WBG to: continue responding to development needs during crises, so that it can help alleviate food insecurity, malnutrition, forced displacement, and gender-based violence; provide emergency income support; restore and improve inclusive access to education, health, and basic services such as water and energy; and expand economic opportunities and jobs, with emphasis on women and girls. We welcome the continued implementation of the WBG FCV strategy and the IMF recently adopted fragile and conflict affected states strategy. We encourage the WBG to continue working across the humanitarian-development-peace nexus—with governments, the UN, the IMF, and other partners, including bilateral, multilateral, and nongovernmental

organizations—to analyze the drivers of FCV, with a focus on prevention and resilience, and to deliver critical services. We recognize that FCV situations are deepening, with crises emerging in both LICs and MICs. We ask the WBG to continue responding with flexible and innovative policy and financing options, and an enhanced footprint, with due attention to its social and fiduciary standards, so that resources may be used strategically and effectively.

5. Responding to the COVID-19 crisis remains a critical priority. Though vaccination rates have risen, setbacks to development gains have hit the neediest, particularly in small states and FCV situations, necessitating tailored, country-focused interventions. We congratulate the WBG’s crisis response efforts and unprecedented financial support, delivering \$204 billion in 2020-2021, including for health, education, and social protection to address the significant impact on human capital in LICs and MICs. We commend the extraordinary IDA20 replenishment, totaling \$93 billion, which was agreed a year early and will be critical to support these efforts in the poorest countries and to maintain a focus on long-term goals. We thank the WBG, together with the Multilateral Leaders’ Task Force (WBG, IMF, WHO and WTO), for catalyzing international actions aimed at fast, equitable vaccine delivery. We ask the WBG to continue using its convening power and financial leverage to help deploy vaccines, increase manufacturing, invest in diagnostics and therapeutics, and strengthen health systems, all of which will help developing countries accelerate economic recovery. Based on recent experiences and lessons, and in close coordination with its international health partners, we urge the WBG to focus further financial, policy and analytical support to helping countries achieve their vaccination goals, strengthen health systems’ capacity, move toward universal health coverage, and support resilience, prevention, and preparedness for future pandemics.
6. The multiple, overlapping crises will have long-term consequences. We ask the WBG to remain focused on supporting debt sustainability and transparency, including through implementation of the G20 Common Framework, together with the Paris Club to support LICs; as well as through efforts to address debt vulnerabilities in MICs. We welcome the WBG’s Climate Change Action Plan, which will help it align with the Paris Agreement and bolster its efforts to promote biodiversity, improve access to energy and clean water, and support a just transition to a low-carbon economy, adapted to each country’s circumstances. We also welcome the WBG’s \$26 billion climate change financing in 2021. We also encourage the WBG to: enable private capital

mobilization and job creation, including through domestic capital markets development; coordinate with the IMF on the new Resilience and Sustainability Trust and explore options to utilize Special Drawing Rights (SDRs); expand fiscal space, including through domestic resource mobilization; step up financing for the Global Public Goods (GPGs) agenda, while recognizing MICs' key role in its implementation; lead on gender equality, with financial, policy and technical support; enhance human capital through investments in education, health, and social protection; invest in infrastructure and promote digitalization, including through the private sector; and support all clients for a green, resilient, and inclusive recovery, which will be key in reversing development losses and reducing inequalities. We look forward to fruitful discussions in these areas, with an emphasis on debt vulnerabilities, GPGs, digital transformation, climate change, and fragility.