



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 SIXTH MEETING
WASHINGTON, DC – OCTOBER 14, 2022**

DC/S/2022-0051(E)
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Statement by

**H.E. Bruno Le Maire
Minister for Economy, Finance and the Recovery**

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106th Meeting of the Development Committee

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Eight months since the Russian Federation invaded Ukraine, the conflict continues to come at a tragic cost for the Ukrainian people, and for the rest of the world. France remains steadfast in its solidarity with Ukraine in the face of this unlawful aggression, which violates the United Nations Charter, breaches the principle of territorial integrity and international humanitarian standards. For as long as Russia persists in waging its war, we will continue to provide Ukraine with the humanitarian, economic and financial assistance it needs to alleviate the suffering of its people, to exercise its right to legitimate self-defense and to support its resilience while preparing its future reconstruction. In coordination with our European and international partners, France has contributed to supporting Ukraine, both through humanitarian and financial support. France also supports the disbursement of large-scale support packages to Ukraine and neighbouring countries impacted by the crisis by the International Monetary Fund (IMF) and multilateral development banks, particularly the World Bank Group and welcome the considerable efforts already made. **It is essential that international financial organisations remain fully mobilised.**

Due to the war, the first half of 2022 saw one of the largest shocks to global food and energy markets experienced in recent times. Taken together, the impact of the COVID-19 pandemic and rising food and energy prices could plunge a further 100 million people into poverty, **setting us back even further from achieving the Sustainable Development Goals (SDGs) by 2030.**

In this context, if we are to avert a food and energy crisis and the social ramifications it could entail, the international community must continue working together to mount a coordinated response, as it has done in recent months. This is why France, as part of its Presidency of the Council of the European Union, proposed the Food and Agriculture Resilience Mission (FARM) initiative, which is now fully operational, thanks to the support of the European Union, the African Union and the G7 and in partnership with the WTO, the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP). In addition, the "Save Crops" initiative, launched on 21 September by France, the African Union Commission, the European Union Commission, Senegal, Lebanon and relevant international organisations including the World Bank and the IMF, proposes concrete solutions to ensure that vulnerable countries have access to fertiliser and other critical inputs. **France also welcomes the announcement by the World Bank Group of a 15-month crisis response financing package worth \$170 billion, including up to \$30 billion for projects to address food insecurity.**

Moreover, despite notable progress on containing the pandemic in recent months, **we must treat strengthening local health systems as a long-term priority if we are to prevent the emergence of new strains and, ultimately, increase our collective resilience against future pandemics, without forgetting primary and routine care.** In this regard, the establishment of the new Financial Intermediary Fund (FIF) hosted by the World Bank Group should support, through a catalytic and partnership-based allocation of resources, efforts to strengthen the resilience of health systems in the most fragile states and contribute to strengthen the central role of the WHO.

Beyond responding to the myriad crises affecting developing countries, international financial institutions must also look to the medium and longer terms, mobilising their instruments and maintaining high levels of financing to support green, sustainable, resilient and inclusive development, in line with the SDGs and the objectives of the Paris Climate Agreement. Donors have demonstrated strong support for this cause, as evidenced by the historic International Development Association (IDA) replenishment, and by the ongoing 16th African Development Fund (ADF) replenishment, which we hope will live up to expectations. In April this year, the Resilience and Sustainability Trust (RST) was created within the IMF, providing a channel for mobilising Special Drawing Rights (SDRs) for the benefit of the most vulnerable countries. This is a very important step forward. Our priority now must be to accelerate the operationalisation of the RST, so that the IMF can, without delay, meaningfully support the 143 eligible countries in addressing the challenges of climate change and pandemic preparedness. However, we must go even further. First, by fulfilling the pledge made in October 2021 to recycle \$100 billion worth of SDRs to support vulnerable countries. Second, by collectively increasing our objective of SDRs' reallocation to most in need African countries and the poorest countries, from 20% to 30%. **Last but not least, the implementation of the Common Framework for Debt Treatments, adopted by the G20 and the Paris Club, must lead to tangible results quickly.** I welcome the financing assurances given by Zambia's public creditors just one month after the formation of the creditor committee, building on the experience of Chad. The task now is to maintain this dynamic, which is essential to rapid and balanced debt restructuring. Effective coordination between the IMF and the World Bank, and their technical input, remain key to the Common Framework's implementation. Participation by private creditors, in accordance with the comparability of treatment principle, will be essential to providing debt treatments appropriately tailored to debtor countries that have submitted a request.

Yet these efforts do not go far enough in addressing the challenges of climate change, land degradation and biodiversity loss and limit the temperature rise to 1.5°C by 2100. In particular, we urge multilateral development banks to develop, as soon as possible, a common methodology for aligning their operations with Paris Agreement goals. The protection of biodiversity must be one of the priorities of our action. In order to fully contribute to the implementation of the future post-2020 global biodiversity framework to be adopted at the COP15 of the Convention on Biological Diversity to be held in Montreal in December, we also encourage them to devise a methodology for measuring biodiversity co-benefits and to set quantifiable targets without further delay. We also call on the World Bank to contribute, technically and financially, to the definition of the Just Energy Partnerships (JETPs). **It is essential that the international financial institutions continue their efforts on these important issues for the development of our societies.**

More generally, international financial institutions must adapt and reform in order to better respond to current global challenges while continuing to fulfil their dual mandate of reducing poverty and promoting shared prosperity. These objectives are not contradictory but should be mutually reinforcing in enabling greener, more sustainable and more inclusive growth. We urge the World Bank Group to consider proposals aimed at strengthening its role and capacity in this regard.

We call on the World Bank, and on other multilateral development banks, to consider and action the measures set out in the report of the G20 expert panel tasked with reviewing multilateral development banks' capital adequacy frameworks. Implementing these recommendations would unlock additional financing while preserving the Bank's long-term financial viability and its status as a preferred creditor.

Alongside its own financing, the World Bank Group also plays a key role in mobilising private capital. It implies making a more intensive use of risk-sharing mechanisms, backing reforms that foster stability, transparency and certainty in the economic and investment environment, and supporting domestic resource mobilisation.

On all these matters, **France is counting on the World Bank to lead by example, to use its convening power to rally other development institutions behind this agenda, and to give us the collective strength to rise to the challenges we face.**