



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**

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October 14, 2022

Statement by

**H.E. Enoch Godongwana
Minister of Finance**

Ministry of Finance

South Africa

On behalf of the Constituency of Angola, Nigeria and South Africa

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106th Meeting of the Development Committee

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We welcome the choice of Climate Financing, Food and Energy Crisis issues in this DC meeting. This is coming at a time when the remnants of Covid-19 pandemic combined with the war in Ukraine has generated a historical energy and food crisis across the globe. As we speak, 2022 is likely to be the worst year in terms of real growth, levels of poverty, partly due to these crises. African countries will be experiencing the brunt of this infliction.

We acknowledge the important role that the World Bank Group (WBG) is playing as the largest multilateral provider of climate finance for developing countries. This finance, however, is not enough. Countries have limited fiscal space, while the private sector continues to show low appetite to enter the Climate Finance arena especially for climate adaptation. **We therefore call for some incentives given the low level of carbon footprint.** In this environment, we continue to call upon Advance Countries and the WBG to **increase concessional and grant funding** not just for LICs but also for MICs. Efforts to grow the size of the private sector by, amongst others, providing appropriate incentives for participation in Green Finance are also welcome.

We acknowledge that a sustainable and secure energy supply remains essential for development. We also acknowledge that the transition to cleaner and efficient energy sources (such as renewables) must be fully compatible with our goal of an inclusive economy. Many countries in our region are still struggling with the provision of basic energy infrastructure with about 58% of the population in Sub-Saharan Africa (SSA) having no access to electricity. For these countries' lack of access to energy is an emergency.

In this regard, climate **consideration needs to be weighed against the need to provide basic infrastructure required to generate economic growth and sustainable livelihoods.** Therefore, just as we have seen recently some advanced countries reverting to the use of coal in power generation, **we now call upon the WBG to facilitate and fund these countries' energy generation using their natural resources, at the least to provide baseload capacity.** In addition, we call upon the WBG to **make explicit its willingness to fund Gas generation.** In too few words we are saying: the Transition must be just, inclusive, and sustainable.

Lastly, regarding food security, we note that in many countries food systems remain deficient with limited or no access to fertilizers, irrigations systems, or modern high yielding seeds, amongst others. Moreover, one of the biggest problems, especially in SSA, is the difficulty in moving food from surplus areas or regions to areas with shortages and the attendant missing markets. In this regard, **we urge the WBG and countries to prioritize investments in agricultural research, and manufacturing of inputs especially fertilizers including bringing its own additionality to fill the missing market in the supply chain.** Moreover, we encourage investment in transport infrastructure and storage facilities to enable flow of food

from surplus areas to those in need. The WBG may also want to investigate the challenges to food security brought about by the communal land tenure system, which often hinder development initiatives.