



**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**

**Guy Parmelin**

**Head of the Federal Department for Economic Affairs,  
Education and Research**

**Switzerland**

**On behalf of Azerbaijan, Kazakhstan, the Kyrgyz Republic, Poland, Serbia,  
Switzerland, Tajikistan, Turkmenistan  
and Uzbekistan**

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

**October 14, 2022**

**Washington, DC**

We are deeply concerned by the significant development setbacks the world has suffered as a result of the multiple and compounding crises and the rising human and economic cost they entail. Food and energy insecurity, climate change, trade and supply chain disruptions, macroeconomic imbalances and learning losses are increasingly threatening our societies and economies and hitting the poor and most vulnerable particularly hard.

We commend the World Bank Group (WBG) for its swift and agile response to these crises. Effective multilateral cooperation is critical to mitigate their multiple effects. The WBG, as the world's premier development institution, plays a leading role in catalyzing action at the global, regional and national levels, mobilizing the resources needed, and assisting clients across all income levels with financial support and advice in designing and implementing effective policies to address these development challenges, while working to achieve its long-term objectives as defined by the Twin Goals, the 2030 Agenda, and the Paris Agreement.

The scale of the crisis response requires an enhanced focus on delivering tangible development results through implementation of programs and project of good quality, effective technical support and supervision, and strengthened field presence. It is imperative that all projects meet the WBG's environmental, social and governance standards.

### **Support Ukraine's resilience and recovery efforts**

We commend the WBG's strong commitment and assistance to support the citizens of Ukraine in response to Russia's war against their country. We condemn this unprovoked and unjustified aggression and call on Russia to de-escalate the situation immediately, cease all hostilities and withdraw its troops from Ukrainian territory without delay. We encourage the WBG to continue to provide substantial and targeted financial, policy and technical assistance through a globally coordinated response in order to strengthen the resilience of Ukraine, meet its population's basic financial and development needs and support the region affected by the war.

The war in Ukraine is further extending the list of fragile and conflict-affected situations and protracted crises, underlining the need to reinforce joint efforts to prevent and address conflict and fragility. We commend the WBG's efforts to enhance its action in other fragile and conflict-affected situations, and support its engagement in the humanitarian, development and peace nexus. We encourage the Bank to further work on proactively addressing all drivers of fragility in a holistic manner, including the economy, environment, politics and society, as well as additional factors related to human development.

## **The Food and Energy Crisis – Weathering the Storm**

We strongly support the WBG's response to the food and energy crises and agree with the identified priorities, including the consideration of the water challenges. Addressing food and energy crises requires short-term measures to mitigate the impact on the poor and vulnerable, while maintaining efforts to strengthen the long-term transformation towards more sustainable, inclusive and resilient food and energy systems at global, regional, and national level.

We welcome the WBG's emphasis on tackling harmful subsidies affecting food and energy production, consumption and value chains, as well as the WBG's focus on facilitating regional integration and trade, in particular in food, agricultural inputs, and electricity. Acknowledging that policy reforms and system transitions are challenging, we ask the WBG to advance just transitions by supporting its member countries in mitigating negative effects on vulnerable communities and seizing transformation opportunities through targeted and well-calibrated support measures.

Sustainable agricultural practices, natural resource management, community-based approaches as well as strong and diversified local, national and regional value chains are key to ensure the inclusiveness and resilience of food systems. The principles of agro-ecology provide a holistic framework for such efforts, and we encourage the WBG to systematically integrate them in its work on food systems.

We support the proposed prioritisation of energy efficiency in the short-term. Efficiency measures should encompass all sectors, including industry, buildings, transport, and waste. Longer-term efforts to diversify the energy supply mix should prioritize renewable capacity, including small-scale and decentralized solutions to enhance energy access of the hundreds of millions living without electricity. We ask the WBG to systematically assess the agriculture and energy sectors in the Climate Change Development Reports (CCDRs).

## **Financing Climate and Development**

The international community must step up collective action in the fight against climate change. As the largest multilateral provider of climate finance for developing countries, the WBG plays a critical role in convening, incentivizing and mobilizing all relevant actors. In particular, we ask the WBG to support governments in creating adequate framework conditions for the private sector and civil society to unfold their potential to contribute to a net-zero pathway. This includes effective and ambitious carbon pricing, fossil fuel taxes and agricultural subsidy reforms that are key to internalizing the negative externalities of carbon-intensive activities. We also welcome the focus on enabling private sector climate investments through the cascade approach, effective blended finance transactions, and the cross-WBG collaboration in this regard.

We also ask the WBG to advance ongoing methodological work, including on Paris alignment, the revision of the joint MDB methodology for adaptation finance and the methodology to track nature-positive financing. Building on the CCDRs, the WBG can provide valuable guidance by identifying the most relevant priorities, promoting country ownership, and enhancing partnerships at country and global level.

We support the WBG's continued emphasis on mitigation and adaptation, in particular in the most vulnerable countries and fragile states. We see value in mainstreaming climate in the WBG's portfolio and scaling up adaptation finance.

## **Learning Recovery**

We support the WBG's approach to tackle learning losses and accelerate longer-term learning by covering the entire learning cycle. We see need for support particularly around two priorities that are aligned with the SDG 4 and the 2030 Agenda: First, the pandemic-related learning gap needs to be addressed through interventions for the affected learners. Second, education systems need to be transformed to remain

purposeful for the next generation, with a particular focus on increasing resilience to further shocks, meet the future demands of labor markets and address the challenges stemming from accelerated automatization and digitalisation.

Systemic and wide-ranging reforms are necessary to tackle longstanding education challenges and strengthen public education systems to be fit for purpose. Such reforms need to be guided by the goal of developing education and TVET systems that facilitate life-long learning and training, up-skilling and re-skilling, permeability and mobility. We encourage the WBG to promote universal access to high-quality public education systems, workplace learning and strong public-private partnerships through private sector participation in TVET governance structures and funding. Further efforts are required to close remaining gaps between girls and boys in education and to ensure education services are maintained in fragile, conflict-affected and other crisis.

### **Debt situation**

We remain concerned about the high and rising debt and fiscal vulnerabilities in many countries. Given the globally rising costs of debt that hinder the otherwise necessary efforts to counter the mounting development challenges, we invite the World Bank and the IMF to further increase their efforts aimed at assisting the developing countries in tackling their debt vulnerabilities.

### **Looking Ahead**

Given the increasing frequency, scale and complexity of global crises, we ask Management to review the WBG's institutional and operational framework in order to better respond to global challenges, while retaining its focus on poverty reduction and shared prosperity.

We look forward to receiving proposals to incentivize country demand and the effective use of WBG financing for global challenges, design financial reforms to responsibly make the most efficient use of the WBG's balance sheet and generate new resources, and strengthen coordination and collaboration across the broader international financial architecture. We ask Management to draw from the G20 Independent Review of MDB Capital Adequacy Frameworks to unlock significant amounts of financing while safeguarding the Group's long-term financial sustainability.