



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

**The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance**

Canada

**on behalf of Antigua and Barbuda, the Bahamas, Barbados,
Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica,
Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines**

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106th Meeting of the Development Committee

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The pandemic and Russia's invasion of Ukraine have highlighted the interconnectedness and fragility of our global food systems. Because of the war, we are experiencing the largest shock to the global food system since the 2008-09 food price crisis. Food price inflation is having a significant impact on food security around the world. We encourage the Bank to continue to help build resilient food systems through support to the intensification of climate-smart agriculture, improving energy use in food systems, sustainable agri-food value-chains, and overall better food system governance.

On behalf of our constituency, we commend the World Bank Group's swift and comprehensive response to support Ukraine. Since the Russian invasion, and in addition to the significant bilateral support provided by a number of countries including Canada and Ireland, the Bank mobilized nearly US\$13 billion in financing to help Ukraine continue to provide government and social services to meet humanitarian needs. We also commend the World Bank Group for working with the Government of Ukraine and the European Commission to develop the Ukraine Rapid Damage and Needs Assessment, which assesses the cost of Russia's destruction in Ukraine of buildings, social and built infrastructure, and the economy.

Canada and its constituency members are firmly committed to supporting the government and people of Ukraine in their fight against Russia and for their lives, their sovereignty, and democracy. Canada has committed over \$3.4 billion in military, humanitarian, and other assistance to Ukraine so far this year, including \$1.95 billion in loans which have been fully disbursed. Ireland has contributed bilaterally, via EU support, and by extensive support to refugees. Our constituency members will continue to work with our partners and allies to stand up for and defend peace, security, human rights, and the rules-based international order.

Climate change and biodiversity loss are some of the biggest challenges facing humanity and require urgent action, especially as developing countries are disproportionately impacted. Despite the current energy market volatility, we must not lose sight of medium and long-term goals to advance low-carbon, climate resilient, nature-positive development. We encourage the Bank to increase its climate and biodiversity ambition; mobilize greater levels of private finance to bring climate investments to scale; advance timelines in order to protect nature; meet global climate targets; and align its portfolio with the Paris Agreement. We welcome the Bank's efforts to reduce fragmentation and increase appropriate targeting of grants and results-based climate finance.

To address climate change effectively, investments are also needed on adaptation. We encourage the Bank to continue making ambitious investments to help member countries build resilience to climate change, particularly in Small Island Developing States, which are highly vulnerable to climate-related disasters.

We acknowledge the substantial work the Bank has done to address the devastating impacts of the COVID-19 pandemic, including the establishment of a new Financial Intermediary Fund for Pandemic Prevention, Preparedness, and Response. We support this unprecedented global effort to address the lessons learned from COVID-19 and mobilize additional resources to help ensure that developing countries are better prepared for future public health crises.

Sovereign debt levels are rising globally, including in Small Island Developing States, which have been disproportionately impacted by climate change and the pandemic, as well as the food and energy crises resulting from Russia's invasion of Ukraine. Unsustainable debt compromises macroeconomic stability and could threaten the ongoing global recovery from the pandemic. To respond to this, our constituency calls on all creditors to provide timely, coordinated, and orderly debt treatments to countries in need. Improving debt transparency will also be essential to addressing growing debt-related vulnerabilities. Debt transparency is the cornerstone of good debt management and we welcome all efforts by International Financial Institutions, borrowers, and creditors to foster debt transparency internationally.

Responding to the multiple and overlapping nature of these crises will require sustained effort and funds. As such, it is critical that the World Bank Group use its capital as efficiently as possible, while maintaining its AAA credit rating. We ask the World Bank Group to present shareholders with a plan in the coming weeks on how it will analyze and then implement the recommendations from the G20 Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks. This roadmap should include details on how the Board will be engaged in the analysis of all recommendations. We further call on the World Bank Group to present areas of potential reform for its vision, incentives, operational approach, and financial model to better respond to global challenges, while retaining its focus on poverty reduction and shared prosperity.