Statement by

H.E. Johan Van Overtveldt
Minister of Finance

Belgium

On behalf of Austria, Belarus, Belgium, Czech Republic, Hungary, Kosovo, Luxembourg, Slovakia, Slovenia and Turkey
Statement by
H.E. Johan Van Overtveldt
Minister of Finance
Belgium
On behalf of Austria, Belarus, Belgium, Czech Republic, Hungary, Kosovo, Luxembourg, Slovakia, Slovenia and Turkey

92nd Meeting of the Development Committee
October 10, 2015
Lima, Peru

The World Bank Group Support for the 2030 Agenda for Sustainable Development

The recently concluded UN Sustainable Development Summit marks the end of a series of negotiations on a comprehensive and inclusive but ambitious 2030 Agenda for Sustainable Development, reflecting a world that has (dramatically) changed over the last 15 years, not in the least because of the increased share of the developing countries in the world economy and new global challenges and crises. Compared to the Millennium Development Goals, this Agenda, which involves 17 Sustainable Development Goals, 169 targets and over 300 indicators, puts a strong emphasis on fostering sustainability and inclusiveness, issues which are consistent with the World Bank Group’s vision. Translating these global goals into national sustainable development programs is the challenge going forward.

We appreciate the World Bank Group’s constructive and advocacy role in advancing the financing for development discussions, in particular, by focusing on mobilizing and leveraging financial resources. The World Bank Group has the necessary comparative advantages and strengths to support the 2030 Sustainable Development Agenda, especially through its country-based model, its global knowledge base and presence across the development spectrum. To make the Bank Group fit for delivery, further clarification is needed on how it will incorporate the 2030 agenda into the implementation of its strategy and how it will prioritize efforts in favor of specific goals and targets.

On the policy side, we agree that four broad focal topics, representing critical areas within the SDG Framework, are particularly relevant to the Bank Group’s mandate and in line with its comparative advantage: (1) climate change; (2) infrastructure; (3) data revolution; and (4) crisis and fragility. Given the enormous need for more and better data, one of the biggest challenges is how to collect, manage, and present data on a regular basis. Relevant data, in particular data disaggregated by sex, can help policy makers prepare more effective policies, target the right (poor) people and better measure progress. We underscore the potential of digital technologies to play a supporting role in collecting and processing some of these data. Given the need for increased collaboration and coordination, we commend the Bank for its internal initiatives, through its Data Council, to further advance the data agenda, as well as for its external initiatives, such as reaching out to the other international institutions, the private sector and Civil Society Organizations to establish a Global Partnership for Sustainable Development Data.

In addition to recognizing the importance of addressing the huge infrastructure needs of many developing countries and of enabling the transition from crisis to development, we would like to reiterate that climate change represents a major global challenge affecting the poorest in many poor developing countries. The World Bank Group and other international financial institutions play a key role in the implementation of
the UN climate change agreements. We particularly encourage the Bank Group to set ambitious objectives for its climate finance program.

However, we should not lose sight of the fact that respect for social norms and environmental standards and human development issues such as health and education, which formed an important part of the agenda of the Millennium Development Goals, remain important challenges within the 2030 Agenda. In addition, it is also important to remain focused on the specific development challenges in Fragile and Conflict-affected States.

Gender equality through the world remains one of the most challenging issues. Women still compose the large part of the poor worldwide. Each specific or mainstreamed action regarding the empowerment of women has shown the general benefits for societies and communities as a whole.

On the financing side, we value the World Bank Group’s intention, together with the IMF, to step up its efforts to improve countries’ public financial management and domestic resource mobilization policies, inter alia, by strengthening tax administrations and targeting illicit financial flows. We also welcome the Bank Group’s efforts to strengthen its financial position through the margins for manoeuvre and expenditure review processes to allow for a considerable increase in IBRD’s lending volume. We are pleased that a consensus on the way forward and the timeline for addressing crucial issues related to the role, governance and financing of this institution has emerged, despite significantly divergent views. We would like to stress that the discussion among shareholders on the future role and size of the Bank is prerequisite to addressing the Bank’s financial needs. Linked to this, we need to engage in further discussions on how to best increase IDA’s financial capacity, possibly by leveraging IDA’s balance sheet (also known as IDA Plus), and to accompany any additional lending with policy guidance aligned with IDA’s mandate.

To complement the discussion on leveraging and mobilizing additional financial resources, we expect that the Bank Group, the other Multilateral Development Banks, the IMF and their client countries will also pay adequate attention to an efficient, effective and sustainable use of resources, the strengthening of accountability and transparency, and to combating fraud and corruption. In our view, the optimal use of financial resources and good governance need more emphasis.

Given the risk of fragmentation and proliferation of earmarked funds, partnerships and collaboration between development institutions, bilateral and other partners at the global, regional and local level need to be strengthened. In this context, we welcome the commitment of the IMF to actively engage in the implementation of the post-2015 agenda through policy advice in crucial areas and expanded concessional financing to the low income and fragile economies. Close coordination and complementarity among the Bank Group, the IMF, and other development partners will be fundamental to achieving success in building economic resilience and macroeconomic sustainability and in meeting key SDG objectives.

We would also like to call for a well-articulated results and monitoring system for the World Bank Group’s contribution to the 2030 Agenda, providing more clarity on the roles, approaches and contribution of the World Bank, IFC and MIGA. In this connection, we encourage the Board and Management to discuss shortly after the Annual Meetings, proposals on how the Bank Group will report on SDG progress in the future.

Finally, we welcome this year’s Global Monitoring Report on development and demographic change. Although the success in halving poverty during the era of the Millennium Development Goals may be a reason to celebrate, progress has been uneven with challenges in terms of depth of remaining poverty, unevenness in shared prosperity and unequal progress in non-income dimensions of development. This
should remind us that we need to focus even more on the poorest of the poor and address rising inequality, through more inclusive economic growth and complementary social protection and risk insurance mechanisms. We hope that the updated poverty data and the new indicator will allow us to more correctly identify poverty traps and focus on the non-income dimensions of development. We are also curious to learn how countries, assisted by the World Bank and other partners, will leverage and maximize the demographic opportunities by designing and implementing the right policies consistent with their country type. In this context, we welcome that the issue of migration has been taken up, as it could help address demographic challenges in some countries. Given the severity of the migrant crisis, we urge the World Bank to speedily (i) analyze its contribution to addressing the main root causes and impacts of this crisis, and (ii) implement the findings of that analysis. Going forward, we encourage the Bank to operationalize some of the conclusions of this Global Monitoring Report through its Systematic Country Diagnostics and Country Partnership Frameworks.