Statement by

H.E. Magdalena Andersson
Minister of Finance

Sweden

on behalf of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden
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Forward Look

1. Time has come to move from words to action and implement the three grand agreements from 2015; the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement.

2. The Nordic Baltic Constituency would like to emphasize four, closely interlinked, development challenges where increased World Bank Group ambitions are needed.
   a. First, the World Bank Group must work to enable inclusive growth and development, with an even stronger emphasis on private sector development and the creation of decent jobs.
   b. Second, this can never be done excluding half the population or certain groups; therefore it is key to raise the bar on gender equality and human rights.
   c. Third, the need to intensify efforts to address the climate challenge and to achieve environmental sustainability must be integrated in all development work to ensure long term sustainability.
   d. The fourth challenge is to prevent fragility, conflict and violence and to address poverty in fragile and conflict affected states with increased ambition. Inclusive growth, gender equality and human rights, and environmental sustainability are essential aspects in the work with fragility and violence.

3. A major strength of the World Bank Group is and should continue to be its country-based operational model, which ensures that the development work is built on an in-depth analysis of each country’s individual circumstances and needs.

4. The World Bank Group’s special competence and skills lie in its global knowledge and solutions, which are underpinned by strong environmental and social safeguards to ensure quality and fairness in delivery.

5. Official development assistance is an essential element to contribute to the achievement of the development and climate goals. However, as established in the Addis Ababa Action Agenda, this will never be enough to reach the ambitious goals of the 2030 Agenda and the Paris Agreement. A crucial role for the World Bank Group will therefore be to mobilise additional resources. The World Bank
Group needs to catalyse international private capital and crowd in institutional capital for development and climate financing. The World Bank Group should also assist developing countries to develop national capital markets, to strengthen domestic resource mobilisation, and to counteract illicit financial flows. The importance of the latter point is underlined by the recently leaked “Panama Papers”, that demonstrate the enormous scale of use and abuse of secrecy jurisdictions. We welcome the WBG stocktaking paper on illicit financial flows, which has been long awaited. We are now even more convinced that the WBG must raise the bar and play a key role in combating IFF.

6. Resources are scarce and must be used efficiently. Ideas to leverage the World Bank Group’s resources should therefore be pursued. We welcome discussions on this issue within the ongoing IDA18 replenishment negotiations. The outcome must be one that benefits Low Income Countries, without jeopardizing debt sustainability of all client countries and to protect the long term financial sustainability of the World Bank Group.

7. To ensure efficient allocation of resources and to deliver effectively on the 2030 Agenda as a whole, it is essential to preserve the primarily un-earmarked nature of World Bank Group financing. Stovepipe financing of individual Sustainable Development Goals through new thematic initiatives leads to further fragmentation and should be pursued with caution.

8. The current year must deliver a strong replenishment of IDA 18 and a successful conclusion of the safeguards review.

Forced Displacement and Development

9. Forced displacement is a global issue that requires a global response, including increased involvement of the World Bank Group. This response must include comprehensive initiatives which address the issue both in host countries and countries of origin.

10. In countries of origin, root causes that force people to leave their homes must be at the core of the World Bank Group’s efforts. In line with Agenda 2030 and the New Deal for Engagement in Fragile States, it must be recognized that finding solutions to displacement is an integral part of the governance and state building agenda, which should guide World Bank Group’s engagement. This, however, should also recognize the need for specific initiatives in support of local livelihoods and services that underpin sustainable solutions.

11. In host countries, it is important to engage the government in policy dialogue from the very beginning of displacement crises. The key issue is how humanitarian and development actors, including the World Bank Group, could address the rights and needs of displaced and host communities in a collaborative approach that is focused on strengthening self-reliance of displaced people within an inclusive framework of local growth, development and job creation.

12. Gender equality and climate challenges must be explicitly addressed in the way forward and are integral parts of sustainable solutions to forced displacement. Additional efforts are required to support the promotion of human rights and gender within the humanitarian response.

13. The World Bank Group should develop crisis response instruments to be ready to address crisis situations in a holistic manner involving the entire World Bank Group. We fully support the development of appropriate financial mechanisms that allow the World Bank Group’s capacity to provide support for host countries across all country income categories.
14. For the World Bank Group to achieve results on forced displacement, **it must work to bridge the persistent gap between short-term humanitarian efforts and sustainable long-term development.** Better coordination with other actors is key. The World Bank Group should be a part of a broader coalition, working in close partnership with bilateral donors, the UN, other multilateral organizations, regional organizations, the private sector and civil society organisations.

**World Bank Group Shareholding review**

15. The Nordic Baltic constituency welcomes the interim report to Governors and reiterate its strong support for the shareholding review and the work to **find a dynamic formula. The dynamic formula should support a transparent, rules-based system to increase the voice of developing economies** in the World Bank Group while ensuring the protection of the smallest and poorest countries.

16. Together with economic weight in the global economy it is important that **financial contributions to the World Bank’s mission such as IDA contributions are embedded in the formula,** in order to acknowledge and create incentives for future contributions.

17. The Nordic Baltic constituency emphasizes the importance of a continued **transparent process** going forward, characterized by continued constructive efforts to find a broad-based consensus on the formula itself. Decisions regarding the shareholding review must be made by the Board, where all countries are represented.

**Mainstreaming Disaster Risk Management**

18. World Bank Group’s work on **disaster risk reduction is highly relevant. Insurance options should be further elaborated.**

19. **Data collection** done by the Bank is instrumental and must continue in order to identify disaster risk, so that risks may be mitigated and prevented.

**Conclusions**

20. In sum, to realize the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement, the World Bank Group must work to leave no one behind. This means that the World Bank Group must work to ensure **gender equality and human rights, prevent conflict and violence and safeguard resources for the poorest countries.** It also means contributing to **inclusive, climate friendly, sustainable development** through strengthening of the **private sector** and creation of **decent jobs.**