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)

NINETY-FOURTH MEETING
WASHINGTON, D.C. – OCTOBER 8, 2016

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Statement by

H.E. Mohammed Boussaid
Minister of Economy and Finance
of the Kingdom of Morocco

On behalf of the Constituency of Afghanistan, Algeria, Ghana, the Islamic Republic of Iran, the Kingdom of Morocco, Pakistan, and Tunisia
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94th Meeting of the Development Committee

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Our Development Committee meeting this year is of particular importance as it is taking place one year after the adoption of the Sustainable Development Goals (SDGs) by the international community.

In this respect, on behalf of the constituency of countries that I represent, I would like to thank the Bank for responding favorably to the request from the Governors at the 2015 Annual Meetings in Lima, by reframing its strategy in light of the SDGs.

Indeed, the report submitted to us entitled “Forward Look: A Vision for the World Bank Group in 2030” presents the various actions that will enable the World Bank Group (WBG) to support the SDG agenda, while remaining focused on its own goals of eradicating extreme poverty and ensuring shared prosperity.

We welcome the analysis of the external constraints that WBG actions will face over the next 15 years.

The effects of economic crises, the proliferation of epidemics, the consequences of climate change, and geopolitical tensions are major obstacles that will have an impact on the cost and effectiveness of WBG actions.

In this regard, the manner in which the WBG, as a premier development institution, intends to refocus its role to support structural interventions that could help countries achieve the SDGs is therefore a critical issue.

We commend the progress made as a result of the operating model adopted by the WBG since the implementation of its new strategy and are in agreement with the main strategic directions of the report entitled “Forward Look: A Vision for the World Bank Group in 2030.”

In our view, the WBG’s commitment to and support for a vision that seeks to be inclusive, adapted, and capable of supporting public policy development efforts on an ongoing basis provide the appropriate framework for action by a development bank in response to the myriad challenges in the global environment.

Similarly, we encourage the WBG to engage on the various areas of intervention identified in the report, in particular the following:
The definition of support for each country category

World Bank actions must consider the needs and specificities of countries, based on their income level.

Middle-income countries that need to strengthen their growth model are expecting the WBG to promote financing mechanisms and instruments as well as provide knowledge services and share successful experiences in the area of development.

Particular emphasis must be placed on countries affected by fragility, conflict, and violence, given that these situations undermine poverty reduction gains.

We therefore recommend that further consideration be given to innovative mechanisms adapted to crisis situations. We welcome the new financing initiative for the Middle East and North Africa. We are therefore eager to see the donor countries honor the commitments they made at our committee meeting in April 2016.

The adoption of a leadership role to address global issues

We are aware of the grave consequences of the threats posed by global issues and will continue to support the commendable initiatives undertaken to date by the WBG. Nevertheless, given the institution’s limited resources and the growing needs of countries, it is our view that the WBG must not accord priority to its engagement on these issues to the detriment of its support for the development programs of its client countries.

The adoption of a leveraging role to mobilize new financial resources for development

We agree with the experts who contend that the WBG, a leader in development finance, is being called upon to play a leveraging role to attract additional financing, particularly for the SDGs, the estimated cost of which is US$7 billion.

We also welcome the fact that the WBG’s vision for 2030 maintains that IFC will be able to mobilize private funds for development from such institutional investors as pension funds, insurance companies, and sovereign funds seeking to diversify their investments in developing countries.

Owing to the scope of the financing needed to tackle the new types of development challenges and to the globalization of the consequences of the impacts of these challenges, whereby currently no region in the world is spared, the financial effort must be supported by all economic and financial players.

Integration of increased engagement with the private sector

The important role of the private sector in contributing to economic growth and poverty reduction is indisputable.

In this regard, we commend the efforts made by IFC and MIGA to support countries with improving the business climate and promoting the private sector.

We also heartily welcome the different financial instruments and guarantees established by the two entities in recent years. We support the efforts of IFC and MIGA to also explore the options for supporting transnational investments. We believe, in this context, that regional cooperation and South-South cooperation should be elevated to the top of our institution's priorities in the coming years.
Enhancement of WBG financial soundness

It goes without saying that the role we would like to see our Bank play in new development issues cannot be fulfilled without strengthening WBG financial soundness.

In this regard, and in support of continued assessment of WBG financial sustainability in the medium and long term, we believe that optimization of existing instruments will allow the Bank to increase its financial flexibility, particularly through the following:

- **Maintaining the balance between development missions and humanitarian missions**: the WBG's contribution to humanitarian action must take place in collaboration with all stakeholders in humanitarian efforts based on the respective mandates of each institution, which will allow the Group to release a portion of its capital and focus on its development mission;

- **Exploring synergies among the different WBG institutions**: a unified and complementary approach among the IBRD, IFC, and MIGA would have a stronger and quicker impact on the success of development projects while minimizing the cost of interventions;

- **Reducing bureaucracy and improving flexibility**: an approach that prioritizes client demand with respect to community-based management will help reduce the number of actors, streamline expenditure, and improve the pace of decision making;

- **Efficient use of information technologies**: significant investments in information technologies should result in enhancement of the efficiency of operations as well as budgetary expenditures;

- **IDA 18 replenishment**: we support the proposals through which IDA countries will benefit from considerably more support than in the past to confront natural disasters, epidemics, and vulnerability.

We also take note of the report on the dynamic formula and emphasize that the objective of this exercise, in terms of realignment of voting power within the Bank, should, at the end of the process, facilitate equitable rebalancing with respect to increasing the voting power of developing and transition countries.

It is our belief that this is the first step of this process with respect to the dynamic formula. Other criteria should be taken into account in the next discussion phase to achieve satisfactory outcomes for all member countries, particularly an increase in basic votes, the introduction of dilution limits, and the renunciation of shares.