Statement by
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Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
There are 3 major groups of challenges that economies in South East Asia and Pacific are facing today. First, the evolution of 3Ds - Democratization of Information, De-monopolization of knowledge and Disruption of Technology & Innovation. This requires each government to carefully balance their policies to enable people of all generations to succeed and sustain the social mobility and social safety net. The second relates to global uncertainty derived from uncontrollable factors such as changes in geopolitical, shifts in global economic dynamics and the complexity of trust in multilateralism. The third challenge to be highlighted relates to Disaster and Climate vulnerabilities. This poses a direct impact to our region especially the Pacific Island countries. Though our region is not central to these challenges, much of our resources have increasingly been diverted from sustainable development objectives to prepare for any shocks or immediate uncertainties that may occur. This, at the same time, become a hindrance for our economies to maintain fiscal sustainability.

We acknowledge the World Bank Group’s performance in the first half of FY17. We also welcome the selected 3 topics for the 95th Development Committee meeting and are pleased to share our views as follow;

**Forward Look – A Vision for the World Bank Group in 2030: Progress and Challenges**

**Assisting All Clients Segments:**
We commend the WBG in committing to stay engaged with all client segments and evolve its engagement with Middle-Income Countries (MICs), with a particular emphasis on the Lower-Middle Income Countries and recent IDA graduates. We stress that both the Upper and Lower Middle Income Countries are important engines of global growth. Investing in MICs that have established a strong connectivity within the region can multiply the impact of development through positive spillovers. Given that the WBG is facing a balance sheet constraint while the world is experiencing weakness in investment growth, we encourage the WBG to strategize its operations in countries with established regional integration/connectivity as it will expand the development impact and create a chain-reaction of opportunities on the same dollar spend.

**Mobilization:**
We applaud the WBG’s proactive plans and strategies for crowding-in private finance to client countries which complements the “Billions-to-Trillions” agenda which includes the WBG’s Cascade approach and IFC 3.0 strategy. We trust these will enhance the development finance for value-adding investments and help create markets in regional, national and sub-national level. We look forward to seeing the progress made in developing reports on private sector diagnostics which would supplement the synergy between public and private investments within client countries.

We congratulate the IDA team on the groundbreaking success of a $75 billion IDA18 replenishment. We are motivated by the IDA18 themes, particularly on climate change, gender, jobs, and economic...
transformation. Given the challenges to governments’ budget mentioned at the beginning, we are excited to see the operationalization of the newly created Private Sector Window and the growing role of IFC and MIGA in IDA and FCV countries. We welcome IFC’s new Advisory Services strategy, including the establishment of Creating Market Advisory Window (CMAW) as it is vital to support upstream capacity building in order to accomplish the IFC 3.0. That said, we reiterate our strong support to the One World Bank Group approach. We urge the WBG to take the lead in collaborative efforts and align works across MDBs and bilateral donors in order to optimize the use of financial resource and yield a greater development impact.

**Leading on Global Issues and Improving the Business Model:**

We appreciate the WBG’s tremendous efforts in helping clients cope with global challenges. It is well-noted that many systematic platforms, i.e. the Global Crisis Response Platform (GCRP), Catastrophe deferred draw-down options (CAT-DDOs), the Human Development Global Practice Group (HD VPU), the Global Infrastructure Facility (GIF), have been set up to support countries in all regions.

We commend the establishment of the Small Island States Resilience Initiative that helps strengthen resilience investment and build implementation capacity. That said, we want to stress the importance of the “leave no one behind” principle. Small States are vulnerable to external shocks regardless of the size of their economies. We therefore call for the equal opportunity of all small island states to have access to the Global Facility for Disaster Reduction and Recovery.

In addition, we very much welcome the WBG’s initiatives to improve its efficiency and performance, and look forward to regular updates and accomplishment, particularly on how the WBG applies the lessons learned from applying new strategies, policies and also pilot projects such as the Agile Bank, which offers better services to clients together with a more efficient WBG working environment.

**A Stronger World Bank Group for All**

With the ambitious “Billions to Trillions” and Forward Look vision, the WBG proves that it is prepared and ready to be “Better” in serving all client segments. The aspiration of the Forward Look leads to the rising demand from both low-income countries (LICs) and middle-income countries (MICs) clients to steer their economies and achieve the Twin Goals and SDGs in the next 13 years. Such high demands from clients, when coupled with the rising challenges as mentioned, we can foresee that the WBG will soon be experiencing tremendous pressure on their financial capacity.

We take note that the IBRD and IFC has planned and implemented a number of measures to leverage the existing capital. We are also supportive of the G20 mandate on developing an action plan on MDBs Balance Sheet Optimization. At the same time, we also note that IBRD’s ability to stay engaged with clients and support new IDA graduates will gradually be limited due to its financial stress. Similarly, we acknowledge and value IFC’s effort in having “skin in the game” through its own direct investments and the ability to efficiently leverage its capital. That said, while we fully subscribe to balance sheet optimization practices, we are not supportive to any strategy that leads to the shrinking of IBRD and IFC activities.

Above all, with rising global financing demands due to complex global challenges, the world needs reliable and effective multilateral institutions to provide support and guidance to match the increase in country needs. We trust the existence and relevance of the WBG as a leading development agency and its strong role in global development. We believe it is time for shareholders to reaffirm their commitment on multilateralism and seriously consider ways to energize the WBG to become “Stronger”.
Shareholding Review: Progress Report to Governors at the 2017 Spring Meetings

The important objective of the Shareholding Review exercise is to realign shareholders with the aim of achieving an equitable balance of voting power between country groups and underrepresented countries. With regards to rebalancing shareholding of the IBRD, we welcome the progress report which was based on 3 pillars: the 2015 mandated principles, the 2016 formula guidance and the agreed Dynamic Formula. It is noted that a new Shareholding Simulation Model (SSM) has been developed and many options have been explored by the Executive Directors in order to find an optimum solution for all members. In this respect, we commend and support their efforts in continuing the process to reach a consensus within the mandated timeframe.

On elements of the IBRD package, we are in favor of using the dynamic formula together with the proportionate allocation for the under-represented members as an allocation rule. We are open to consider innovative options and other forms of adjustments for allocations as deemed necessary should these methods be supportive in reaching a consensus. That said, we reiterate our stand that the Shareholding Review process and the outcome of this exercise should be transparent and broadly acceptable to members.

Conclusion

In conclusion, we reiterate our support on the WBG’s Forward Look reform agenda. We strongly support the strengthening of the WBG’s financial capacity to become a Better and Stronger Bank. With this, we can ensure that the WBG will remain relevant in global development and continue to be the leader in bringing additionalities to members in reaching the twin goals in ending extreme poverty and boosting shared prosperity.