Statement by

Mr. 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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The current challenges facing the world, such as climate change, inequality, poverty, and conflict, require the deployment of a concerted, global effort to make progress in the field of development, preserve the gains made, and avoid any erosion of past achievements.

The Development Committee is the ideal forum for determining how to guide these international efforts so that they have the greatest impact possible on development. In this context, we applaud the World Bank staff for the quality of the documents that they have prepared and the relevance of the choice of themes, namely: (i) Maximizing Finance for Development, (ii) the World Development Report 2018, (iii) the Forward Look Implementation Update, and (iv) the Progress Report on Shareholding.

I. Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development

At the last meeting of the Development Committee, we approved the innovative “cascade” approach, which is expected to help better mobilize resources to support development and poverty reduction.

We welcome the maximizing finance for development (MFD) approach, which broadens the application of the cascading principle. We are especially pleased with the reception of this approach by the other multilateral development banks (MDBs) and development partners, who are ready to adopt it. We are also pleased that the Bank is heading up implementation of this approach owing to its experience acquired through efforts carried out jointly with public authorities to motivate the private sector to contribute to achieving development objectives. We do not doubt that, once implemented, this approach will also go a long way toward helping achieve the Sustainable Development Goals (SDGs).

We support the mechanism developed to put the MFD approach into practice, which the Bank has already begun implementing, in particular, preparing guidelines, offering training and resources to staff, as well as monitoring progress made with respect to maximizing finance.

We also support continuing this approach with pilot operations carried out in nine countries, and we hope that the lessons learned from these operations will help strengthen it and replicate it in a larger number of countries and in different sectors.

We wish, however, to stress the need to establish a robust and far-reaching mechanism to coordinate efforts in collaboration with the other MDBs and development partners to ensure the continuation of targeted interventions, without overlap. We have no doubt that when an appropriate coordination and
implementation mechanism is put in place, the MFD approach will help the Bank not only achieve its twin goals, but also implement its Forward Look strategy and achieve the Sustainable Development Goals.

II. World Development Report 2018, Learning to Realize Education’s Promise

We congratulate the Bank for selecting education as the theme of the World Development Report 2018. We agree that the education crisis remains a significant challenge in the developing world, particularly in our region, and we also agree that schooling without learning is not only a missed opportunity, but constitutes a grave injustice.

Furthermore, we believe that youth unemployment in developing countries is due in part to the poor quality of teaching as well as the mismatch between the supply of skills and the qualifications required by the job market. As a result, it is difficult for young job seekers to participate productively in the economy of their country. We look forward to the regional studies that will accompany the World Development Report 2018 and that should be devoted to the learning crisis in the developing countries of our different regions.

III. Forward Look Implementation Update

We welcome the report on implementation of the Forward Look initiative and are pleased with the progress and accomplishments to date, in accordance with the stated objectives. We are especially pleased to note the progress made since the meetings held last April. We urge Bank staff, while focusing on the institution’s twin goals, to continue to strengthen and expand the scope of initiatives carried out under the Forward Look banner to support the 2030 development program.

We applaud the Bank’s achievements and initiatives in low-income countries and fragile or conflict-affected countries. Yet, the report barely mentions the Bank’s role in middle-income countries despite the challenges they face and the urgent need to solve their development problems so that they may achieve global objectives such as peace, stability and poverty reduction, and combat climate change. We recommend that the Bank emphasize the accomplishments and initiatives carried out in these countries and highlight the importance of these clients not only to ensuring the institution's long-term viability, but also to achieving the Bank’s objective of reducing poverty, which is very present in many middle-income countries.

We welcome the progress made with respect to institutional capacity building in monitoring and evaluation, as evidenced by the change made to the World Bank Group Corporate Scorecard, which now includes monitoring indicators that are critical to its Forward Look initiative. We appreciate the fact that more comprehensive data will be shared in order to assess the impact of reforms undertaken, and we believe that in this regard, it would be useful to also share comparable data for previous fiscal years.

We note that it is necessary to strengthen the financial capacity of IBRD and IFC so that the World Bank Group can continue to implement its Forward Look strategy and achieve its twin goals. We look forward to the results of the external consultation on capital adequacy and we welcome the continuation of discussions devoted not only to the shareholding review, but also to a potential capital increase. We hope that by the 2018 Spring Meetings, specific proposals will be submitted to us for review and decision.

IV. Progress Report to the Governors on Shareholding

We take note of the progress mentioned in the progress report on shareholding. We are pleased to note that it falls perfectly in line with the guidelines adopted by the Governors in Lima aimed at ensuring fair and equitable representation of countries. We are convinced that it is essential to protect small countries in this
process. In this regard, we believe that the 2010 formula should be used to accomplish this. We also think that the Dynamic Formula could facilitate achievement of more equitable shareholding. Furthermore, we believe that during the current shareholding review, care must be taken to curb the dilution of voting power, and we are also in favor of allocating a limited number of shares for a selective capital increase for IBRD.

Moreover, we request that the World Bank management submit to us a more detailed analysis for IFC, as it has done for IBRD, so that we may base the review on more comprehensive information.