Statement by

H. E. Eduardo Guardia
Minister of Finance

Brazil

On behalf of Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad and Tobago
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A bigger and better World Bank Group that serves all clients is imperative in boosting global shared prosperity and ending extreme poverty in the world, and in assisting all its members in fully achieving their Sustainable Development Goals (SDGs) and Intended National Determined Contributions (INDCs). A stronger World Bank Group will contribute to our collective pursuit of higher, sustainable and inclusive growth.

In addition to the World Bank’s paramount role of providing global public goods, an important duty is to support countries in designing and implementing structural reforms, crowding in private sector, and fostering infrastructure investments.

About 2.5 trillion dollars are invested per year around the globe in transportation, power, water, and telecom systems (upon which businesses and people depend). Yet, this amount continues to fall short of the world's ever-expanding needs, resulting in slower economic growth and inadequate provision of essential services to the people, mostly the poor and vulnerable. As such, particular attention must be given to middle-income countries since they are home to 70 percent of the world’s poor, 71 percent of refugees, and three-quarters of the world’s stunted children.

Thus, the WBG still has an unfinished mission to fulfill in the middle-income countries.

Advancing the proposed policy package will therefore provide us with a path to achieve our ambitious global goals. It will also help unlock solutions to complex development challenges as the World Bank will have additional financial capacity to increase lending to developing countries. Increasing the capacity of the Bank will also be an important tool to accumulate global knowledge needed to provide valuable advice to its membership.

We welcome the increased priority given to engagements with members affected by fragility, conflict and violence (FCV), and to crisis management in the package proposal. These crises have been more frequent and intense, and their impacts have been increasingly inter-connected and go beyond national borders. Additional efforts to promote integration and regional cooperation will promote country and global stability and economic progress. In this regard, the different innovative facilities that have been created and their implementation should favor crisis prevention and mitigation of spillovers.
Raising World Bank’s targets to mobilize private resources in support of infrastructure projects is fundamental. Governments have primarily been undertaking investments in physical and social infrastructure, however, they have budget constraints. At the same time, institutional investors and financial institutions have close to 120 trillion dollars in assets that could at least partially support those infrastructure projects. Attracting private investment is essential to deliver the most needed infrastructure with adequate quality within the 2030 timeframe. The proposed systematic use of the creation-of-markets approach across the World Bank addresses this issue. It adds value by strengthening the business environment for the private sector and unlocking key projects that crowd in private funding. Matching investors with projects requires improvement in project preparation, standardization of contracts and of financing instruments, addressing data gaps, and tackling risk mitigation. Enabling and maximizing the flow of financing, from regulatory rulings and de-risking tools to the promotion of efficient markets, must be a top priority in our development agenda.

Leveraging global knowledge and lessons learned that enhances public policy design and combines good governance has been one of the strongest assets of the World Bank. In this regard, the continuous engagement of the World Bank with upper-middle income countries has been mutually beneficial to all members as it encourages designing of innovative solutions, which are later adapted to other country-specific circumstances.

Balance sheet optimization should be pursued in a broader multilateral and collaborative perspective. We note the initiatives along with other Multilateral Development Banks in measuring and reporting volumes of long-term co-financing mobilized by International Financial Institutions from private investors and other institutional investors. However, additional collaboration among Multilateral Development Banks, including aiming at higher co-working and co-lending volumes, should be pursued to catalyze lessons learned and to achieve shared objectives.

Lastly, we welcome the priority given in the proposal to mainstream Disaster Risk Management in projects of the Bank. The poor are the most affected by disasters since they have the least capacity to cope with shocks. While disasters may be short-lived or temporary, their consequences linger for years and may become permanent unless addressed. Dealing with weather-related natural disasters has demanded significant amounts of investment—from the construction of resilient schools to early warning systems. Rapid urbanization, in turn, requires efficient and resilient infrastructure, and at the same time creates promising opportunities of job and sustainable growth. In this regard, we commend WBG’s efforts to support countries on building preparedness and designing mitigation policies.