



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-FIRST MEETING
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Statement by

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1. Introduction

The year 2015 is the targeted final year for the Millennium Development Goals (MDGs). The international community needs to review the activities and achievements so far toward achieving our shared goals, set new international development goals beyond 2015, and seek and confirm the challenges and actions each country and institution will take in order to realize the goals.

During the first fifteen years of the 21st century, developing and emerging countries have been achieving steady economic growth as a whole, but we have reaffirmed the importance of tackling global challenges such as financial crisis, epidemics, natural disasters and conflicts. Also, the presence of emerging countries and the private sector in international development has been on the rise. Furthermore, it has become an important issue how the developing countries can mobilize their own domestic public financial resources.

In these circumstances, the World Bank Group (WBG) has set clear strategic goals, “ending extreme poverty by 2030” and “shared prosperity,” under the leadership of the President Kim, and has been taking actions to solve these global challenges while deepening partnerships with various donors, other international organizations and the private sector. Japan has been supporting these efforts of the WBG.

In what follows, I would like to present the efforts Japan has made for development assistance in collaboration with the WBG to take steps toward the two goals mentioned above and express our expectations for the WBG, in particular, from the perspective of “post-2015 financing for development,” the theme of this Development Committee.

2. Japan’s efforts for development assistance in collaboration with the WBG

The world community is faced with various global challenges to be solved. It is important to identify the sectors to be prioritized and support them in a focused and continuous manner to effectively utilize limited financial resources for development. In order for the WBG to utilize Japan’s abundant knowledge and experiences for its assistance to developing countries, Japan will particularly cooperate with the WBG in the following areas: promotion of infrastructure investments, healthcare, disaster risk management (DRM), global environmental issues and capacity building of governments’ results management.

(1) Promotion of Infrastructure Investments

For the sustainable growth of developing countries, it is necessary to meet growing infrastructure needs. To this end, it is a key to mobilize private funds. Japan expects that the Global Infrastructure Facility (GIF), newly established by the WBG with financial contributions from Japan and other donors, will function well as an effective platform to promote improvement of investment environment and development of bankable infrastructure projects. The WBG staff in Tokyo will be involved with GIF activities. JICA, JBIC and private Japanese financial institutions will participate in GIF as advisory partners. Japan will contribute to developing GIF projects with our public-private collaboration.

It is also critical to ensure a high quality of infrastructure as a foundation for sustainable economic growth in meeting huge infrastructure needs of developing countries by mobilized development funds. We expect that the WBG will further promote “quality infrastructure” all over the world to ensure procurement while duly taking account of life-cycle cost, environment and society standards, development of human resources and local systems, and debt sustainability. As part of this effort, Japan is considering holding a workshop to formulate a common understanding of “quality infrastructure” in the international community, collaborating with Multilateral Development Banks such as the WBG and other G20 countries.

Tokyo Development Learning Center (TDLC) of the WBG is planning to implement a city partnership program to disseminate the knowledge on Japanese urban infrastructure from this year. We encourage the WBG to collaborate with selected Japanese cities and disseminate the advanced knowledge and experiences of sustainable and inclusive development, urban transportation and measures against global warming as well as aging society. We also encourage the WBG to utilize the advanced Japanese urban knowledge and experiences for its own assistance to develop infrastructure. Furthermore, we expect GIF, the Tokyo DRM Hub and TDLC to work together with generating synergy and contribute to promoting infrastructure investment by the WBG.

(2) Healthcare

The Ebola outbreak, which spread in West Africa last year, seemed to be waning, but new infections are observed even today. It is essential not only to treat and aid infected people but also to rebuild the healthcare system in the medium and long term. Japan appreciates that financial assistance for the recovery and reconstruction worth 1 billion dollars has been provided promptly and comprehensively, under the strong leadership of President Kim, by utilizing the IDA Crisis Response Window and IFC programs while collaborating with the governments of Guinea, Liberia and Sierra Leone, and other international organizations.

Japan has provided financial assistance worth 173 million dollars and dispatched Japanese experts in response to the Ebola outbreak. In particular, Japan contributed 20 million dollars to the Ebola Recovery and Reconstruction Trust Fund in order for the WBG to aid Guinea, Liberia and Sierra Leone by rebuilding their healthcare systems. Japan is also providing mental health support to the families of infected people and medical practitioners in Liberia through the World Bank Japan Social Development Fund. We encourage the WBG to continue to fight against the Ebola Outbreak effectively and efficiently.

Governments, international organizations and the private sector need to collaborate further with each other and develop respective healthcare systems by utilizing the lessons learned from the Ebola outbreak. In particular, it is essential not only to take measures to contain specific infectious diseases but also to strengthen overall healthcare systems along with improving public health. In particular, it is important to achieve healthcare systems including universal health coverage (UHC), where all people can receive healthcare services at an affordable cost as needed. Japan remains committed to cooperating with the

WBG in disseminating the contents of the joint study regarding UHC completed in December, 2013 at various opportunities, and in providing technical assistance to help developing countries introduce UHC in a way tailored to their respective circumstances.

In addition, we expect the WBG to continue to develop the concept of facility to provide financial assistance promptly to affected countries bearing in mind the impact of a possible future pandemic. We understand that this concept is to incorporate UHC with DRM, both of which Japan has been prioritizing in its international development assistance. We expect the WBG to continue to develop the concept of this facility in collaboration with the private sector and other international organizations while utilizing the knowledge of the joint study regarding UHC as well as the Pacific Catastrophe Risk Insurance Pilot Program, which is a joint program of Japan and the WBG.

(3) Disaster Risk Management (DRM)

We welcome that the “Sendai Framework for Disaster Risk Reduction 2015-2030,” which followed the “Hyogo Framework for Action 2005-2015,” was adopted by consensus at the “Third UN World Conference on Disaster Risk Reduction (WCDRR)” held in March 2015, in Sendai, Japan. In this conference, a total of 150,000 people from both Japan and abroad, including President Kim and other representatives of 187 states and international organizations, participated. It is a great achievement toward mainstreaming DRM that people from all over the world shared the lessons we learned from the Great East Japan Earthquake and the reconstruction situation, and discussed how we should develop DRM and gained political commitment from the international community.

The Great Cyclone “Pam,” which hit Vanuatu during the WCDRR, reminds the world of the threat of natural disasters as well as the importance of DRM. Soon after Pam attacked Vanuatu, Japan sent emergency supplies and disaster relief teams such as doctors. Also, the Pacific Catastrophe Risk Insurance Pilot Program, mentioned above, enabled Vanuatu to receive a 1.9-million-dollar payout against the damage from the cyclone within two weeks. Japan will consider scaling up the initiative which comprises this insurance pilot program as a core element.

Huge disasters can nullify years and years of developmental achievements in an instant, take a heavy toll on the lives of people, and impede economic growth. Projects which take into account the aspect of resilience can reduce the disaster response cost in advance. Setting a basic disaster prevention plan and quality infrastructure would constrain ex post facto costs due to a possible future disaster.

(4) Global Environmental Issues

The international community should work in close cooperation to address global environmental issues. Natural disasters have increased in scale in recent years partly due to changes in the global environment. In particular, adaptation to natural disaster risk is an emergent issue for small island states and least developed countries, which are most vulnerable to climate change.

The Global Environment Facility (GEF) led by CEO Dr. Naoko Ishii conducted the sixth replenishment in 2014 and achieved the largest-ever increase in its history due to the wide support from many countries. Japan strongly supports GEF’s cross-cutting initiative based on “GEF 2020,” the GEF long-term strategy under the leadership of CEO Ishii. Also, the newly established Green Climate Fund (GCF) received financial contributions and plans to support developing countries to tackle climate change from this year. Japan expects the WBG to cooperate with GEF and GCF to tackle the provision of solutions to global environmental issues. In particular, Japan expects the WBG to utilize knowledge of the Tokyo DRM Hub and provide support for developing countries particularly from the aspect of adaptation to global climate change.

(5) Enhancement of Governments' Results Management

The WBG needs to make continued efforts to set development goals, measure the development results and utilize the lessons from them for subsequent policymaking, in light of using limited development financial resources effectively and efficiently. Japan is duly paying attention to setting quantitative development goals and reviewing them appropriately with regard to projects conducted through the Japan Trust Fund in the WBG.

Results measurement should be better used not only to fulfill the accountability of donors but also to allow recipient countries to enhance the quality of their own policy. Japan will provide technical assistance to implementing agencies of central governments and/or local governments to define their own results specifically and measure the progress toward achieving them in order to enhance their own policymaking system.

3. Expectations for the WBG

The WBG is required to tackle the above-mentioned agenda in an intensive and continuous fashion in order to achieve sustainable development in developing countries. In particular, the WBG needs to develop a sound safety net in order to minimize damage from pandemics, catastrophes and economic crises. These steady efforts will make it possible to minimize potentially necessary funds in advance. On the other hand, the WBG is also required to collaborate with bilateral donors, other MDBs, the IMF and the private sector to secure development funds in the case that the financing flows from the private sector and domestic public finance become disrupted due to a pandemic, catastrophe or crisis. Thus, it is critical for the WBG to serve as a catalyst to mobilize not only ODA but also private funds and domestic public finance of developing countries.

Japan supports the initiative of the WBG to examine how to optimize its balance sheets and expand funding from the market in order to ensure its financial resources for development as the public funds for the WBG activities are limited. It is also important for the WBG to further promote improvement in the investment environment to mobilize private funds, which have been increasing their importance in development. In addition, we encourage the WBG to provide developing countries with technical assistance for developing tax systems and strengthening tax administrative capacity in order to mobilize more domestic public financial resources, in conjunction with lending.

4. Closing Remarks

Two and a half years have passed since the WBG set two strategic goals of “ending extreme poverty by 2030” and “shared prosperity.” Japan supports the leadership of President Kim to make bold reforms regarding organization, operation and finance for the purpose of achieving these two goals. We expect the WBG to continue to play a leading role in providing solutions for global issues while working together with various donors and other international organizations after 2015, the critical year for the international community. Japan will continue to contribute to sustainable economic growth and poverty reduction in the world by providing not only financial and policy contributions but also human contribution to the WBG.