



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-SEVENTH MEETING
WASHINGTON, D.C. – APRIL 21, 2018

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April 21, 2018

Statement by
H.E. Bambang P. Brodjonegoro
Minister of National Development Planning

Indonesia

**Representing the Constituency of Brunei Darussalam, Fiji,
Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore,
Thailand, Tonga and Vietnam**

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97th Meeting of the Development Committee

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The new global agenda, with Agenda 2030 at its core, is ambitious, comprehensive, and universal. The three central goals are to reignite growth, deliver on the Sustainable Development Goals (SDGs), and meet the ambitions of the Paris climate agreement aimed at mitigating climate change and adapting to its effects. Achieving these goals will require a significant scaling up and reorientation of investments, especially for sustainable infrastructure and human development.

To best support the development agenda for 2030 while staying focused on its own corporate goals: to eradicate extreme poverty and ensure shared prosperity – its measure to fight in equality – in a sustainable manner, the World Bank Group (WBG) timely developed a Forward Look, a 2030 vision for the World Bank Group in 2016.

The backdrop for achieving the ambitions in the Forward Look is challenging. In many countries, investment and productivity growth have decelerated, there is growing inequality and persistent unemployment, fragility and tensions are rising, and the incidence and vulnerability to shocks has grown. At the same time, major opportunities exist to tap the potential of new technologies and the growing capacity of the private sector.

In this context, we are encouraged by the continues discussion in the Development Committee on the Forward Look implementation update and other relevant progresses to achieve the World Bank Group objectives. We will also be supportive of the measures taken by the WBG to be better and stronger in delivering our mandates.

Sustainable Financing for Sustainable Development: WBG Capital Package Proposal

As shareholders agreed on a 2030 Vision for the WBG, we expect the organization to: strategically deploy capital where it may be needed the most: LMICs, FCV, IDA Graduates; support a paradigm shift towards private sector solutions and mobilization of financing for development, lead on global issues –Climate, Refugees, Knowledge (South - South), systemic crises response, pandemics - risks to global security and stability; and improve organizational effectiveness and operating business model. Making such shifts in business model and supporting this 2030 Agenda with existing resources and financial/risk framework is challenging. Therefore, we support the proposal of the financial and policy package contained in the Sustainable Financing for Development report.

For the successful implementation of the capital package, first, our constituency will continuously work together with the Bank to address significant challenges, including pursuing structural reforms, promoting infrastructure and human capital development. All initiatives are also parallelly implemented in the context of addressing global agenda such as climate change, gender, issues in FCV countries. Second, our

constituency would encourage the Bank to increase its role in connecting the dots on overall development policy and financial initiatives to maximize the development impacts, such as reducing poverty and inequality, and promoting growth. Third, our constituency will work continuously with the Bank to ensure that the value for money of the Bank is fit for purpose.

A Report to Governors on Shareholding

We congratulate the Board of Directors and Management for concluding the shareholding reviews of both IBRD and IFC. We support the proposal and agree for the Board and Management to prepare and submit the associated Governors' resolutions before end June 2018 for approval by the Annual Meetings 2018.

We are pleased to note that the IBRD Shareholding has been able to gradually balance the results in addressing under-representation and avoiding excessive dilution, while protecting the small shareholders. We also accept the proposed IFC shareholding. The recommendations reflect the spirit of collectivity and enable better shareholding alignment of the WBG institutions, while allowing IFC to bring in the level of capital urgently needed to deliver its strategic goals.

We welcome the next 5 yearly Shareholding Review in 2020 that will provide an opportunity for further realignment. Our constituency will stand ready to work together for accomplishing the voice reform that serves our mutual interests and shared ambition for a better and stronger Bank. We are of the view that the pace of the gradual adjustment should narrow the widening gap between the role of developing countries in global development and their representation at the WBG.

Progress Report on Mainstreaming Disaster Risk Management in WBG Operations

We appreciate the Progress Report on Mainstreaming Disaster Risk Management (DRM) in WBG Operations. We particularly support approaches to leverage resources and mobilize private capital for resilience, and look forward to having further innovative initiatives and assistance from the Bank in strengthening our financial resilience through developing climate and disaster risk financing and insurance solutions at all levels.

As the WBG has trained its staff in climate disaster risk assessment, we recommend extending this training program to client countries to build their capacity in this area. Priorities should be given to sectors and countries that are most exposed to natural hazards and climate change. We fully support the WBG's continued attention to small states and countries facing fragility to strengthen their capacity in dealing with complex challenges from climate change and natural disasters.

Forward Look Implementation Update

We welcome the update on the Forward Look agenda, and continue to believe it lays out the characteristics we are looking for in a "better and stronger" Bank Group. Despite considerable challenges, the WBG has made significant progress in delivering most of the targets as indicated by the Forward Look Results Matrix. We are confident that the Board of Directors and Management would be able to continue this excellent collaboration.

We support the WBG as it continues its work in the area where much remains to be done, such as in scaling up and mainstreaming maximizing finance for development, tackling climate issues, consolidating further platforms to mitigate fragility and risks, and addressing issues such as gender, domestic resources mobilization and illicit financial flows. We also would like to stress on the importance of the Bank to strengthen its role in promoting knowledge sharing, south-south cooperation, and creating strategic engagement with upper Middle-Income Countries (UMICs).

In addition, we request the Bank to work more diligently, within the country, regional, and in the global context, in addressing new cross-cutting challenges, such as disruptive technologies and their implications to the institutional changes, business process, future works, and economic and social welfare. Addressing disruptive technology in a proper manner is relevant to most of the Bank's activities to deliver the forward look agenda.

Update on Gender Diversity in the Executive Board of the World Bank Group

Finally, we welcome the update on gender diversity in the Executive Boards. We support the activities of the gender diversity working group in the Board. These will result, among others, a pool of dedicated, qualified and talented women Board Members who play a significant role in contributing towards a healthier work culture at the Board.

In conclusion, we reiterate our support for the reform initiatives and look forward to the updates on these issues. Our next engagement will be in Bali, Indonesia. We look forward to welcoming you all to the Annual Meetings in Bali, in October 2018.