



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**

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1. The Development Committee met today, October 11, 2014, in Washington, D.C.
2. The global economy remains on a cautious watch and is subject to considerable downside risks. Shared prosperity will require inclusive economic growth, job creation, and a sustained multilateral effort to empower the poorest and most vulnerable. We encourage the World Bank Group (WBG) and the International Monetary Fund (IMF) to work together with member countries to implement bold policies to boost growth and to build resilience.
3. We are pleased that this year's Global Monitoring Report (GMR) tracks, for the first time, the progress made in pursuit of the WBG's goals of ending extreme poverty and boosting shared prosperity in a sustainable manner, while continuing to report on the status of the Millennium Development Goals (MDGs). The GMR's coverage of inequality between the bottom 40 percent and the rest of the population, including high-income countries, provided a strong basis for our discussion of shared prosperity.
4. We welcome the discussion on promoting shared prosperity and the WBG's role in supporting investment in human capital, improved access to markets, structural reforms, financial inclusion, infrastructure, improved tax and transfer systems, including social safety nets, and addressing climate change. We underline the importance of policies and institutions to promote an enabling environment for the development of the private sector, which is critical for investment, job creation, and inclusive and sustained economic growth. We call on the WBG to support countries to prioritize and implement tailored policies in these areas, to track results and impacts, and to build statistical capacity. We welcome the IMF's commitment to provide support in its areas of special expertise, including the design of tax policies and fiscal reforms.
5. Inclusiveness is at the core of shared prosperity. We stress the importance of continuing the WBG's focus on gender. We encourage the WBG to deepen gender integration across its

operations and to focus more clearly on implementation and impact. We look forward to the WBG's updated Gender Equality and Development Strategy, as well as future updates.

6. IDA countries have recorded strong growth since 2000 and have shown impressive resilience during the global economic crisis. However, a fifth of IDA countries have not recorded per capita output growth since then and are vulnerable to adverse shocks, including to natural disasters, epidemics, and economic and financial sector vulnerabilities that can quickly reverse the progress achieved. We ask that the IMF and the WBG continue to monitor economic risks and vulnerabilities.
7. We commend the WBG for its leadership and quick response to the Ebola crisis. We welcome the WBG and IMF's rapid mobilization of emergency funding to support treatment and containment. We are encouraged by the joint effort of the international community in West Africa and underscore the importance of providing additional and ongoing coordinated support on the ground for the World Health Organization's Ebola response Road Map. Beyond the human tragedy, economic losses in these countries are devastating. Swift and coordinated action and financial support are critical to contain and mitigate both direct and long-term economic impacts of the crisis, and build capacity to effectively deal with epidemics.
8. We call for targeted actions and support for countries in turmoil and transition in the Middle East and North Africa and in other regions. We emphasize the importance of the WBG and IMF providing adequate support to these countries. We encourage both institutions to continue to focus on immediate needs and help set the groundwork for expanded engagement when more stable circumstances allow for it.
9. Fragile and Conflict Situations need a distinctive focus and assistance adapted to their specific challenges. We call for stronger commitment to achieve concrete, measurable impact, while working to better understand the drivers of conflict. Small island states remain vulnerable to economic shocks and natural disaster risks, necessitating support adapted to their unique needs. We encourage the WBG to further promote and support increased private investment opportunities in these countries.
10. We commend the WBG for integrating climate change and disaster risk management into country planning, strategies, and financing. We ask the WBG to continue working on climate change, consistent with the United Nations Framework Convention on Climate Change, and to contribute to the success of the November Conference of the Parties in Lima, Peru.
11. Investment in infrastructure, including energy, is crucial to sustaining economic growth and ensuring shared prosperity. We encourage the WBG to continue its operational and advisory support to improve infrastructure. Funding for the Global Infrastructure Facility (GIF) is a welcome step to launch a platform that will facilitate the mobilization of private capital for infrastructure projects. We are hopeful that the GIF will soon acquire the required scale and ambition. We look forward to increased cooperation to build a pipeline of commercially, ready-to-finance viable projects. We call on the WBG and IMF to support countries to deliver efficient,

reliable, affordable, and sustainable energy, including through the Sustainable Energy for All Initiative.

12. We congratulate the WBG for delivering increased lending, investment, mobilization of resources, including private sector investment, and advice this past fiscal year, while undergoing a fundamental internal change process. We expect an important shift in the way the WBG operates to deliver more efficient support to client countries, drawing on partnerships, integrated regional approaches, and knowledge sharing, including South-South cooperation, responding to client needs and reacting quickly to unexpected shocks. We will monitor the implementation of the change process and expect better lending quality with increased development impact. We welcome the WBG's reiterated commitment to diversity and inclusion, which is crucial to its institutional goals. We encourage the WBG to make progress in achieving the agreed diversity targets as quickly as possible.
13. The UN-led post-2015 Development Agenda provides an opportunity to build a model of development that is more inclusive and sustainable. We urge the WBG and the IMF to support the international efforts to reach agreement on the post-2015 development goals. We note the particular significance of the Third International Conference on Financing for Development in Addis Ababa in July 2015. We expect IDA-17 to be critical for accelerating progress on the MDGs, and the WBG, in general, for successful implementation of the new development agenda.
14. We remain committed to the completion of the 2010 WBG shareholding realignment and urge all members who are yet to subscribe to their allocated IBRD and IFC shares to do so. We remain fully committed to concluding the next shareholding review in 2015.
15. The next meeting of the Development Committee is scheduled to take place on April 18, 2015, in Washington, DC.