



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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Statement by

Mr. Tatsuo Yamasaki
Vice Minister of Finance, International Affairs
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90th Meeting of the Development Committee

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First of all, let us express sympathy to the people suffering from Ebola and offer our condolences to the families that have lost loved ones. We highly appreciate the strong leadership that the World Bank has displayed in the provision of concerted support by international organizations and governments to the West African Countries where the Ebola epidemic is spreading. Humanitarian aid to tackle this crisis needs to be provided. As President Kim proposed, it is essential to ease the people's fear and to contain economic damage as soon as possible by promptly taking adequate actions. Japan has announced financial assistance worth more than 45 million dollars and will continue to contribute to containing the Ebola epidemic.

While many developing and emerging countries have been showing steady economic growth, many people are still living in extreme poverty or face the immediate risk of falling into poverty due to various shocks. We note that the World Bank Group (WBG) has set two strategic goals of "ending extreme poverty by 2030" and "promoting shared prosperity" in order to address such challenges. To this end, the WBG adopted new operational strategies and has been carrying out organizational and budget reforms. In what follows, I would like to present the efforts Japan has made for development assistance in collaboration with the WBG from the perspective of promoting shared prosperity, and express our expectations of the WBG.

Japan's efforts for development assistance in collaboration with the WBG—Promoting Shared Prosperity

There are two important elements in facilitating shared prosperity in developing countries. The first one is to achieve steady economic growth, which is a prerequisite for sharing the benefits of any growth. The second is to manage economic policies and create jobs to ensure that the vulnerable do not get left behind. While it is necessary to identify and to remove impediments to shared prosperity inherent to each country, Japan will particularly cooperate with the WBG in the following fields: healthcare; disaster risk management; global environmental issues; promotion of infrastructure investments using private funds; and capacity building of governments' results management.

(1) Healthcare

Despite the emergency response by the international community to the countries suffering from the Ebola epidemic, the number of people infected with Ebola has been increasing. To contain and eradicate Ebola and other infectious diseases, it is essential not only to take measures to contain specific infectious diseases but also to strengthen overall health systems along with improving public health. We also need to develop a health system that can address all healthcare needs, including non-communicable diseases so that all individuals can contribute to economic and social development by exercising their abilities throughout their lives while staying in good health.

Achieving universal health coverage (UHC) is of particular importance where all people can receive healthcare services at an affordable cost as needed. Japan has been conducting a joint study with the World Bank for about two years to extract experiences and lessons regarding UHC in eleven countries, including Japan, and explore the feasibility of applying them to other developing countries. We are pleased to have the opportunity to deliver the results of the study at the Annual Meetings. Japan remains committed to cooperating with the World Bank in disseminating the contents of the joint study at various opportunities, and in providing technical assistance to help developing countries introduce UHC in a way tailored to their respective circumstances.

(2) Disaster Risk Management (DRM)

Vulnerable people, including the poor, are most likely to be affected by natural disasters, which have tended to be increasing in scale in recent years due to the effects of climate change. These natural disasters could instantly destroy many years of development efforts and achievements. Japan welcomes the fact that DRM and climate change were identified as priority areas in the IDA 17th replenishment (IDA-17). Japan is paying close attention to the implementation of one of the IDA-17 policy commitments: “screening all new IDA operations for climate change and disaster risks and, where risks exist, taking appropriate resilience measures.”

Japan and the World Bank launched a new joint program for DRM in February this year. The World Bank DRM Hub based in Tokyo has made good progress and already started projects. Japan will work with the World Bank to further promote assistance for DRM to developing countries with our abundant knowledge and experience accumulated over many years in the field of DRM.

(3) Global Environmental Issues

To promote shared prosperity, it is also important to preserve the global environment that we see as a “global public good.” If global environmental issues are left unattended, they could increase the number of vulnerable people by raising the probability of natural disaster. At the UN Climate Summit in September this year, Japan pledged assistance for developing countries, including human resource development for about 14,000 people over the next three years in the area of climate change, an "Adaptation Initiative" to support the adaptive capacity of developing countries in a holistic manner, and the promotion of technological innovation and dissemination. Japan also announced the early submission of its intended nationally determined contribution and financial contribution to the Green Climate Fund, as contributions to the future international framework.

We welcome the selection of climate change as one of the priority areas of the IDA-17 and the successful completion of the sixth replenishment of the Global Environment Facility (GEF), which achieved the largest-ever increase in its history. Japan is expecting that under the strong leadership of CEO Ishii, the GEF will play a larger role than before in the field of the preservation of the global environment through the “Integrated Approach,” a new initiative that supports cross-sectorial and cross-border programs.

(4) Promotion of Infrastructure Investments using private funds

Meeting growing infrastructure needs is necessary to enable developing countries to achieve sustainable growth. To this end, it is important to mobilize private funds. Japan expects that the WBG will promote the formulation of infrastructure projects using private funds by utilizing its global network, high credibility among private investors, and diverse financial products, including credit enhancement, while maintaining high environmental and social standards in infrastructure development in developing countries. Japan will actively contribute to the Global Infrastructure

Facility (GIF) in designing an effective framework so that it can work as a catalyst for infrastructure development using private funds.

(5) Enhancement of Governments' Results Management

To effectively deal with difficult development challenges, such as healthcare, DRM, climate change and infrastructure development using private funds, it is important to enhance the government's capacity for better results management. The government needs to grasp the progress and outcomes of policies and projects based on data in a timely manner, diagnose what worked well and what did not, and use the results for future policy development and resource allocation. Japan will cooperate with the World Bank in establishing a new support framework for enhancing the results management capacity of the government in developing countries.

Expectations for the WBG

Japan supports the WBG's organizational reform implemented in July 2014 that changed its structure from a regionally-divided system to a more cross-regional and issue-oriented system underpinned by the Global Practices and the Cross-Cutting Solution Areas. For enabling the reformed WBG to provide more effective supports than before, it is important to utilize both global knowledge on specific issues and area-specific knowledge on recipient countries' characteristics that Regional Departments have been nurturing. From this perspective, Japan expects the WBG to appropriately conduct its operations based on the new country engagement model ("Systematic Country Diagnostic" and "Country Partnership Framework") and further contribute to the development of client countries.

Moreover, we want the WBG to create a new stream of development assistance by collecting and integrating innovative ideas and lessons scattered across the global community and disseminating them globally. In this regard, it is important for the WBG to further deepen cooperation with other international development organizations including the Asian Development Bank (ADB), bilateral donors, such as the Japan International Cooperation Agency (JICA), U.N. agencies, and non-government organizations (NGOs).

Closing Remarks

The WBG's mission is to deliver solutions efficiently and effectively to achieve the twin strategic goals of "ending extreme poverty by 2030" and "promoting shared prosperity." To accomplish the mission, the WBG needs to do its business in a manner tailored to the reality faces each country. In addition, the WBG should ensure diversity in its human resources, and Japan intends to make maximum contributions in this respect.

In March 2015, Japan will host the U.N. World Conference on Disaster Risk Reduction in Sendai, at which international DRM strategies will be discussed. We will welcome President Jim Yong Kim, together with many practitioners from all over the world to participate. We expect that lively discussions in the conference will lead to concrete outputs.