



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)



DC/S/2023-0068
October 12, 2023

**STATEMENT BY
MR. MOHAMED BIN HADI AL HUSSAINI, DC CHAIR**

Attached for information for the Members of the Development Committee is a Statement, which reflects the views of the majority of Committee Members, from Mr. Mohamed bin Hadi Al Hussaini, DC Chair following the Committee's one hundred and eighth meeting held on October 12, 2023.

Chair's Statement: 108th Meeting of the Development Committee
Mr. Mohamed bin Hadi Al Hussaini,
Minister of State for Financial Affairs, United Arab Emirates

The Development Committee met today, October 12, 2023, in Marrakech, Morocco.

Members expressed their solidarity with the Moroccan and Libyan people and their authorities and offered deep condolences to the families of the earthquake and flooding victims. They called on international partners, including the World Bank and the International Monetary Fund (IMF), to provide the necessary assistance for reconstruction efforts. They expressed their utmost appreciation to the Government of Morocco for hosting the Annual Meetings in these challenging circumstances.

The Development Committee recognized that the world faces formidable development challenges, amplified by multiple global crises that have hit the most vulnerable people hardest. These crises have upended decades of hard-won development progress, and the development community must respond together to meet the Sustainable Development Goals (SDGs), eliminate poverty, boost shared prosperity, and address global challenges. Members encouraged international financial institutions (IFIs) to work together with the United Nations, policymakers, and public and private partners to meet the SDGs, help ensure that the benefits of sustainable economic growth are equitably distributed, and focus efforts on helping the world's poorest and most vulnerable. They indicated that time is of the essence.

Governors endorsed the World Bank's new vision to create a world free of poverty on a livable planet. They also endorsed its new mission, to end extreme poverty and boost shared prosperity on a livable planet by strengthening inclusion, resilience, and sustainability. This vision and mission will underpin a new playbook with solutions to support country priorities and address intertwined global challenges to drive impactful development with speed and scale.

The Development Committee was encouraged by the substantial progress on the World Bank Evolution Roadmap, strengthening the Bank's operational and financial model, enhancing its country-driven model, including agreement on eight global challenges¹, and the \$50 billion of additional lending capacity over the next ten years. Keeping in view the Capital Adequacy Framework review recommendations, they welcomed the reduction of the policy minimum Equity-to-Loan ratio to 19 per cent; the removal of the Statutory Lending Limit from the IBRD Articles; and the increase in limits on bilateral shareholder guarantees. Members acknowledged that Shareholder participation in the Portfolio Guarantee Platform guaranteeing against sovereign default, and in the hybrid capital instrument, will further strengthen IBRD financing capacity. They noted that additional resources will also be mobilized through the pilot issuance of hybrid capital to the market. Members welcomed additional proposals to increase private capital mobilization, including by IFC and MIGA, the enhancements of Country Private Sector Diagnostics, and the launch of the Private Sector Investment Lab. They also welcomed proposals to increase domestic resources mobilization, including through the new Public Finance Reviews. Members recognized the Bank's ongoing work on crisis preparedness, response, and recovery, including the launch of the Climate Resilient Debt Clause for the most vulnerable borrowers. They also supported the World Bank's commitment to strengthened and impactful partnerships to help solve development challenges.

Beyond Marrakech, further work is needed to complete these ambitious reforms, which could further increase World Bank financing and operational capacity to become a better, bigger, and more effective Bank. This includes increasing private and public resources, while also using knowledge more effectively. Members look forward to finalizing the new World Bank scorecard to drive action for impact at scale with

¹ (i) Climate Change Adaptation and Mitigation; (ii) Fragility and Conflict; (iii) Pandemic Prevention and Preparedness; (iv) Energy Access; (v) Food and Nutrition Security; (vi) Water Security and Access; (vii) Enabling Digitalization; and (viii) Protecting Biodiversity and Nature.

a focus on measurable outcomes and results aligned with the new vision and mission. They look forward to further development of the Global Challenge Programs. Members recognized the transformative impact of the empowerment of women and girls, agreeing that the next phase of Evolution place a greater emphasis on the Bank's role in driving progress on gender equality and human development. They appreciated the ongoing progress on the strengthening of client engagements through the Country Partnership Framework, and the commitment to strengthen Domestic Resource Mobilization and catalyze private sector investment. While prioritizing the use of concessional finance for IDA countries, they look forward to a framework for financial incentives, including concessionality for IBRD countries to address global challenges, and including through the GPG Fund, based on clear allocation principles being developed by the 2024 Spring Meetings. Members called for the World Bank to explore increased collaboration with Trust Funds and Financial Intermediary Funds (FIFs) to optimize the use of concessional resources. They also supported efforts to enhance operational effectiveness and efficiency to increase the speed, scale, and quality of implementation to better serve all clients, proactively managing risks through the World Bank's robust environmental, social, and fiduciary standards and accountability mechanisms. Members expect that the new Knowledge Compact for Action, once developed, will facilitate the creation, delivery, and use of knowledge for development outcomes. They called on the World Bank to also work with other Multilateral Development Banks (MDBs) to establish the Global Emerging Markets Database (GEMs) 2.0 as a standalone entity.

Members acknowledged the importance of strengthening IDA and the necessity for the international community to support an ambitious IDA21 that will scale up support to IDA countries. They look forward to the IDA20 Mid-Term Review in December. They called on existing and new donors to pledge to the IDA Crisis Response Window Plus by the end of the calendar year and commended all donors who have already made their pledges.

Governors encouraged the further exploration of options to strengthen IBRD's financing capacity. They also called to further build up work on people and culture, aligning incentives with evolution reforms and assessing the staffing and budgetary implications of all proposals. They expect an update on the implementation of the Evolution Roadmap by April 2024. Members indicated that meeting these challenges will require a better and bigger Bank, working as one World Bank.

Members welcomed the recent Joint Statement of the World Bank President and the IMF Managing Director on enhancing Bank-Fund collaboration. They also welcomed reinforcing partnerships through Trust Funds and FIFs and with the UN system, by launching the Partnership Charter. They commended the partnership with the Inter-American Development Bank to enhance collaboration and to drive stronger results. They look forward to similar partnerships with the other MDBs.

Members called on the World Bank and the IMF to work closely together on debt sustainability. They recognized World Bank and IMF collaboration, within their respective mandates, together with the Paris Club and G20 non-Paris Club creditors, to support the implementation of the Common Framework for eligible countries and ad hoc debt restructuring processes for vulnerable middle-income countries. They reaffirmed the importance of joint efforts by all actors, including private creditors, to continue working to enhance debt management and transparency.

Governors also called for the World Bank to further strengthen its engagement and collaboration with partners and clients to lead, respond, and share knowledge on issues including climate change adaptation, mitigation, and biodiversity. Following the recent Paris Summit, Africa Climate Summit, G20 Leaders' Summit, and UN SDG and Financing for Development Summits, they look forward to the upcoming 2023 UN Climate Change Conference in Dubai/COP28.

Members noted with deep concern the immense human suffering and the adverse impact of wars and conflicts around the world. They urged the Bank to act with decisiveness, including as a convening power in situations of Fragility, Conflict, and Violence (FCV) around the world, in line with the Bank's FCV Strategy, while ensuring that no one is left behind.

Most Development Committee members supported the G20 New Delhi Leader's Declaration language on the planet, people, peace and prosperity as follows:

We note with deep concern the immense human suffering and the adverse impact of wars and conflicts around the world.

Concerning the war in Ukraine, while recalling the discussion in Bali, we reiterated our national positions and resolutions adopted at the UN Security Council and the UN General Assembly (A/RES/ES-11/1 and A/RES/ES-11/6) and underscored that all states must act in a manner consistent with the Purposes and Principles of the UN Charter in its entirety. In line with the UN Charter, all states must refrain from the threat or use of force to seek territorial acquisition against the territorial integrity and sovereignty or political independence of any state. The use or threat of use of nuclear weapons is inadmissible.

Reaffirming that the G20 is the premier forum for international economic cooperation, and recognizing that while the G20 is not the platform to resolve geopolitical and security issues, we acknowledge that these issues can have significant consequences for the global economy.

We highlighted the human suffering and negative added impacts of the war in Ukraine with regard to global food and energy security, supply chains, macro-financial stability, inflation and growth, which has complicated the policy environment for countries, especially developing and least developed countries which are still recovering from the COVID-19 pandemic and the economic disruption which has derailed progress towards the SDGs. There were different views and assessments of the situation.

We appreciate the efforts of Türkiye and UN-brokered Istanbul Agreements consisting of the Memorandum of Understanding between the Russian Federation and the Secretariat of the United Nations on Promoting Russian Food Products and Fertilizers to the World Markets and the Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian Ports (Black Sea Initiative), and call for their full, timely and effective implementation to ensure the immediate and unimpeded deliveries of grain, foodstuffs, and fertilizers/inputs from the Russian Federation and Ukraine. This is necessary to meet the demand in developing and least developed countries, particularly those in Africa.

In this context, emphasizing the importance of sustaining food and energy security, we called for the cessation of military destruction or other attacks on relevant infrastructure. We also expressed deep concern about the adverse impact that conflicts have on the security of civilians thereby exacerbating existing socio-economic fragilities and vulnerabilities and hindering an effective humanitarian response.

We call on all states to uphold the principles of international law including territorial integrity and sovereignty, international humanitarian law, and the multilateral system that safeguards peace and stability. The peaceful resolution of conflicts, and efforts to address crises as well as diplomacy and dialogue are critical. We will unite in our endeavour to address the adverse impact of the war on the global economy and welcome all relevant and constructive initiatives that support a comprehensive, just, and durable peace in Ukraine that will uphold all the Purposes and Principles of the UN Charter for the promotion of peaceful, friendly, and good neighbourly relations among nations in the spirit of 'One Earth, One Family, One Future'.

Today's era must not be of war.

The next meeting of the Development Committee is scheduled for April 2024, in Washington, D.C.