

**Japan's Statement at the 111th Meeting of the Development Committee (Joint
Ministerial Committee of the Boards of Governors of the Bank and the Fund)
(Washington, D.C. – April 24, 2025)**

1. Introduction

The world is facing geopolitical crises, such as Russia's aggression against Ukraine and the conflict in the Middle East. As global economic uncertainty rises, developing countries face the challenge of addressing the long-term development agenda, including widening inequality, debt, global health, and natural disasters.

Against this backdrop, advancing the development agenda through multilateralism is more important than ever. Japan extends its congratulations on the successful conclusion of the 21st replenishment of the International Development Association (IDA21) last December. Japan commends the fact that IDA21's priority areas align with Japan's key development agenda items such as global health, resilience to natural disasters, and debt transparency and sustainability. Taking these into account, and despite our fiscal challenges, Japan pledged the contribution of JPY 425.7 billion (around \$2.8 billion) to IDA21. We are pleased to announce that our law for IDA21 was approved on April 11. We call on other donors to promptly complete the domestic procedures required to deliver their contributions to IDA21 in accordance with their respective pledges.

Japan hereby states its expectations for the WBG, which plays a critical role in addressing the challenges developing countries face, and our contributions to the WBG in the following areas.

2. Support for Ukraine

Russia's prolonged aggression against Ukraine for over three years has caused extensive damage in Ukraine, and that brings about a source of the uncertainties over the global economic outlook. We call for an immediate end of this Russia's illegal aggression against Ukraine.

Japan commends the Ukrainian Government for its proactive engagement on reforms and for maintaining macroeconomic stability, despite the hostile conditions under which the war continues and welcomes the completion of the IMF's seventh review under the Extended Fund Facility.

Japan contributes to supporting Ukraine through providing Ukraine with a yen loan of 471.9 billion yen through a World Bank Financial Intermediary Fund, under the Extraordinary Revenue Acceleration (ERA) Loan initiative for Ukraine, which was agreed by the G7 Leaders last year and is to be repaid by future flows of extraordinary

revenues stemming from immobilized Russian sovereign assets. In addition, Japan is providing \$500 million of credit enhancement to the International Bank for Reconstruction and Development (IBRD) loans as bilateral assistance in 2025. We welcome the World Bank's approval of the transport-sector project as the first in this regard.

Japan welcomes the release of the fourth Rapid Damage and Needs Assessment (RDNA4) conducted by the WBG in cooperation with the Government of Ukraine. In addition to the public funds themselves, private capital mobilization catalyzed by these public funds is essential to meet the enormous size of recovery and reconstruction needs. In light of recent circumstances, Japan has made an additional contribution of \$10 million to the "Support for Ukraine's Reconstruction and Economy" (SURE) Trust Fund established at the Multilateral Investment Guarantee Agency (MIGA), to which Japan has been contributing as a first donor, bringing our total contribution to \$46 million.

3. WBG Evolution

Japan highly commends the progress thus far in the WBG Evolution. We especially support the WBG's focus on jobs as a path out of poverty, and its emphasis on five sectors that help create jobs, such as health and infrastructure.

In this context, we expect the International Finance Corporation (IFC) and MIGA to play a more active role in the spirit of the One WBG approach. We look forward to IFC and MIGA achieving higher development outcomes by further extending support to areas and sectors where the private sector cannot operate on its own, while addressing environmental and social risks. In addition, to encourage the graduation from the IBRD of upper-middle and high-income countries, we expect the IFC and MIGA to play key roles in fostering private sector development.

In light of the huge and diverse development needs, it is critical for the WBG to cooperate with other international institutions and development partners. We appreciate the WBG for establishing a Full Mutual Reliance Framework with the Asian Development Bank, viewing it as a leading example of Multilateral Development Banks working as a system. We hope this will lead to streamlined implementation and maximized development impact. On the other hand, strengthening partnership with development financial institutions of each country is also essential. Japan amended the JICA Act to expand the functions of JICA in order to further promote private capital mobilization and to strengthen cooperation with its domestic and international partners. We look forward to the WBG increasing its collaborative activities with Japan Bank for International Cooperation (JBIC) and JICA, including through the expansion of the coverage of Global Collaborative Co-Financing Platform.

Strengthening domestic tax systems and tax institutional capacity, and thus improving domestic resource mobilization (DRM), is urgently needed for helping developing countries achieve self-sustained growth. We expect the WBG and the IMF to take the lead in upgrading the role of the Platform for Collaboration on Tax (PCT), which consists of related international organizations, and enhancing the effectiveness and efficiency of technical assistance by sharing each organization's tax-related strategies. Japan also encourages tax experts from member countries and non-state jurisdictions to undertake regular dialogues, together with the international organizations, for the purpose of identifying the challenges and needs for technical assistance properly, and Japan is ready to contribute to holding such dialogues organized by the PCT.

4. Partnership between Japan and WBG

(1) Global health

The changing global landscape and the resulting decline in global health financing has raised concerns about the impact on the health sector in low- and middle-income countries. Against this backdrop, Japan continues its efforts to promote Universal Health Coverage (UHC) and strengthen pandemic prevention, preparedness, and response (PPR), through finance and health collaboration.

In order to strengthen health financing in low- and middle-income countries, it is even more important to promote domestic resource mobilization as well as external funding. Japan, together with the World Bank and WHO, will establish the UHC Knowledge Hub this summer. The Hub will provide capacity building to officials from finance and health ministries to support developing sustainable health financing systems based on domestic resource mobilization. To this end, Japan will make a contribution of \$3 million to the WBG. In December this year, Japan will host the UHC High Level Forum in Tokyo. Inviting global health leaders, including President Banga, to the Forum, we will further advance global momentum towards UHC. We will also make an additional contribution of \$16 million to Phase 4 of the UHC Program.

The Mpox outbreak since last year has been a test case to reaffirm the need to strengthen pandemic PPR. Japan will continue to support the Pandemic Fund to play a central role in strengthening PPR capacities of low- and middle-income countries, based on a stabler funding base from diversified donors. In addition, to strengthen health systems and pandemic PPR in an integrated manner, we expect strategic and efficient usage of trust funds, including through enhanced collaboration and integration.

(2) Disaster risk management and infrastructure

In response to climate change, it is imperative that each country draws a feasible transition path from both mitigation and adaptation perspectives. For the most vulnerable countries especially, it is essential to address adaptation challenges.

This year marks the 30th anniversary of the Great Hanshin-Awaji earthquake. One of our lessons from the disaster was the importance of crisis preparedness. As the frequency and severity of disasters continue to increase globally, we need to combine physical measures, such as building disaster-resilient infrastructure, with institutional and policy support, such as developing disaster risk management plans. Japan continues to support the mainstreaming of disaster risk reduction and the development of resilient infrastructure in developing countries through the Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries. In response to the earthquake that struck Myanmar last month, Japan provided assistance to assess the economic damage caused by the disaster, which is essential for developing recovery and reconstruction plans. To enhance resilience, high-quality infrastructure remains essential. Japan expects the G20 Principles for Quality Infrastructure Investment to be mainstreamed in WBG and in its client countries. We also expect the WBG's procurement reform to deliver a public procurement system that sets higher quality weighting in client countries.

To achieve net zero, it is crucial that low- and middle-income countries enhance their roles across the entire supply chain of clean energy products, not just in upstream areas like resource extraction. In this context, we welcome the completion of the country roadmap within the RISE partnership, which identifies the challenges and opportunities for harnessing Zambia's critical minerals. Japan will provide support, including technical assistance through JICA, in collaboration with the WBG, based on the challenges and opportunities identified in the roadmap. We expect that the WBG will continue to steadily advance the RISE partnership, including activities in other regions such as Latin America, in collaboration with other organizations.

(3) Debt issues

Addressing global debt vulnerability continues to be an urgent issue. Debt restructuring under the Common Framework has progressed, including reaching an agreement in principle with the Ethiopian authority this March. On the other hand, as it needs further enhancement, such as in expediting the process, it is vital to further step up the implementation of the Common Framework in a predictable, timely, orderly, and coordinated manner, based on the recommendations of the “G20 Note on the Lessons Learnt” endorsed last year. As concrete actions, a user manual and a “Restructuring Playbook” that contain indicative timelines should be formulated. We expect the WBG to play a critical role in stepping up the implementation of the Common Framework, including through the discussions at the Global Sovereign Debt Roundtable.

Debt transparency is pivotal for both preventing future debt crises by guiding appropriate lending/borrowing practices and for swift implementation of debt restructuring during the crises. In this regard, we welcome the implementation and

publication of the preliminary findings of the second Data Sharing Exercise on debt data reconciliation led by Japan and the WBG. Japan calls for making it regular exercise and the expansion of the participating countries. It also announces participating in the pilot project toward the digitalization of the reconciliation exercise by the WBG as a creditor and making a financial contribution to the project. Japan will continue to support improving debt transparency and debt sustainability of the developing countries, including through the next phase of the Debt Management Facility (DMF), and expect the WBG to play a leading role in the area of debt transparency.

It also remains critical to support vulnerable countries whose debt is sustainable but facing short-term liquidity challenges. Japan strongly values those countries in strengthening their effort for domestic resource and private capital mobilization, and it continues to support the “three-pillar approach” by the IMF and the WBG that places those efforts under the first pillar.

(4) Pacific Island Countries

Pacific Island Countries (PICs) have vulnerabilities that stem from their geographical uniqueness such as smallness, isolatedness, remoteness, and oceanic nature; and face a variety of development challenges.

To achieve sustainable and inclusive growth in the region, it is important to ensure financial integrity and inclusion, and the withdrawal of correspondent banking relationships (CBRs) from the region has a negative impact on economic development and social stability. Japan has contributed \$2.8 million through the Japan Policy and Human Resources Development Fund (PHRD) to the World Bank’s “Pacific Strengthening CBRs Project”, to include non-IDA PICs namely Cook Islands, Nauru, Niue, and Palau, into the project scope. We encourage other partners to cofinance the project.

Furthermore, in order to address the vulnerability to natural disasters and its negative impact on fiscal condition in the region, Japan has supported the launch of the World Bank's Fiscal Resilience Program, which aims to strengthen the fiscal resilience of PICs, and hosted a high-level meeting attended by finance ministers from PICs in Tokyo in March this year. Japan will continue to work closely with international partners, including the World Bank, to provide necessary support tailored to the reality of PICs.

(5) Tokyo International Conference on African Development (TICAD)

Japan launched Tokyo International Conference on African Development (TICAD) in 1993, and has led the momentum for African development in the international community for years. As the significance and presence of African states within the

international community continue to increase, the Ninth Tokyo International Conference on African Development (TICAD 9) will be held in Yokohama in August this year in collaboration with international partners including the WBG and the United Nations. In this forum, we will discuss innovative solutions that leverage Japan's strength through public and private partnership. Japan aims to jointly seek solutions with African states for various problems Africa and the world face, such as trade and investment enhancement, empowerment of the youth and women, regional integration and connectivity enhancement.

On this occasion, Japan will newly establish the "Global South Pillar" in the PHRD to promptly and flexibly respond to emergent global challenges. In order to support the WBG's activities for food and nutrition security in Africa, Japan will contribute around \$30 million from this new instrument. Furthermore, at TICAD 9, Japan will highlight its support to private sector-led growth through the collaboration with the WBG, African Development Bank and the European Bank for Reconstruction and Development as well as through JBIC and JICA. We also aim to enhance our efforts to ensure fiscal soundness in developing countries including through addressing debt problems, and to achieve UHC as a basis of human development through the UHC Hub. We look forward to welcoming my fellow Governors and Management of the WBG to Yokohama in August.

5. Concluding Remarks

Japan commends the WBG and the IMF, under the leadership of President Banga and Managing Director Georgieva respectively, for continuing to address the ever complicated development agenda of the world, including through cooperation with other institutions. We are committed to providing further support on multiple fronts, including finance, policy guidance and human resources, so that the WBG will continue to be the world's leading multilateral development financial institution.

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