



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, April 18, in Washington, D.C.
2. The global economy is growing slightly faster than in 2014, although growth rates vary widely among countries. We remain vigilant to the risks from potential financial market volatility, movements in exchange rates and oil and other commodity prices, and sluggish global trade. While some middle-income countries (MICs) are experiencing easing of growth, low-income countries, as a group, continue to record good growth rates. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to support countries' efforts to spur inclusive growth and job creation and build resilience to adverse shocks, in order to reduce poverty, and enhance shared prosperity in a sustainable manner, and protect hard-won gains in these areas.
3. In aggregate, cheaper oil and commodities will result in a significant real income shift from oil exporters to oil importers, with a net positive effect on growth in developing countries. This creates challenges for policy makers in oil exporting countries, but also provides a favorable environment for subsidy and tax reforms for more inclusive and sustainable growth. We urge the WBG and the IMF to help countries hit hard by falling export receipts, tax revenues, or remittances, and to advise on energy pricing and the use of clean energy.
4. In this critical year, the international community will set the development vision and agenda for the next 15 years. We look forward to the Third Conference on Financing for Development in Addis Ababa in July, as one of the key steps in determining the framework for financing the Post-2015 development agenda, including the Sustainable Development Goals (SDGs). We commend the WBG, the IMF and the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank and Inter-American Development Bank for their close cooperation on this agenda. We also welcome the special participation of the Secretary-General and high level officials of the United Nations, and the Heads of the Multilateral Development Banks at this Development Committee meeting. We encourage the WBG to ensure the technical robustness of the goals and targets and to strengthen countries' data capacity, to enable development and to monitor progress towards the WBG's goals and the SDGs.
5. The WBG's goals of ending extreme poverty and boosting shared prosperity, set in the broader context of social, economic and environmental sustainability, are fully in line with the SDGs. Achieving the SDGs requires a transformational vision that builds on lessons from the MDGs and combines all potential sources of financing, including more effective and catalytic use of ODA, particularly for the poorest; strengthening domestic resource mobilization, sound public financial management, and addressing the challenge of illicit

finance; promoting private finance and investment; and coordinating action on global issues. We expect the WBG and the IMF to continue to work in partnership with governments, the UN, multilateral institutions, bilateral agencies, civil society and the private sector, as well as with the new development institutions, within their respective mandates.

6. We welcome efforts to deepen local financial markets and improve the policy and regulatory environments to address risk, and catalyze investment from traditional and non-traditional, institutional and other public and private investment sources and the development of innovative solutions to global challenges. IFC and MIGA have a distinct and critical role in engaging the private sector to implement this ambitious agenda.
7. We urge the WBG to enhance its support for sustainable infrastructure development and financing, an enabling environment to mobilize private long-term finance for commercially-viable projects, and strengthening public and private partnerships, including through the recently approved Global Infrastructure Facility (GIF).
8. IDA and IFC's rapid response, in coordination with other partners, was critical to contain and mitigate the Ebola outbreak and we encourage the WBG to continue to support the affected countries in the recovery. Looking ahead, we encourage the WBG to explore, in coordination with other international actors, the potential of a Pandemic Financing Facility to mobilize and leverage public and private resources, including insurance mechanisms, to help countries receive rapid funding in the face of an outbreak based on strong preparedness plans. We commend the IMF for its support to Ebola-affected countries and for creating the Catastrophe Containment and Relief Trust. We welcome the approach of the Global Financing Facility in Support of Every Woman Every Child to be launched in Addis Ababa. We also note the importance of addressing hunger and malnutrition.
9. Enhancing and accelerating gender equality is central to a comprehensive vision of sustainable development. We look forward to the renewed gender strategy later this year and its implementation in the context of the one WBG approach.
10. Achieving the SDGs will also require countries to deal with the challenges and consequences of climate change and natural disasters. We commend the WBG commitment to mainstream low-carbon development and Disaster Risk Management while maintaining focus on its poverty eradication mandate. We encourage the WBG to further enhance its efforts and financing to contribute to the success of the 21st Conference of the Parties of the UNFCCC in Paris. We take note of the WBG and IMF work on appropriate market-based solutions and energy policy reforms.
11. We encourage the WBG to continue to implement its new strategy and complete the associated reforms, including the Expenditure Review, in order to effectively deliver knowledge and financing to its clients. We also welcome the ongoing consultations on the proposed World Bank Environmental and Social Framework and the new Procurement Framework. We emphasize the importance of effectively implementing the new frameworks with sufficient resources, building country capacity, and protecting communities and the environment.
12. We ask the WBG to continue to monitor carefully the quality of its portfolio, to strengthen collaboration across the Group focusing on development results, to promote South-South cooperation and to provide effective support to fragile situations, small states, and regional cooperation. We emphasize the importance of the WBG and IMF in providing significant support, where feasible, for countries in turmoil in the Middle East and North Africa and in other regions. We also urge the WBG to enhance its engagement with MICs to help them end extreme poverty and boost shared prosperity in a sustainable manner. We look forward to the exploration of different options to generate additional IDA financing capacity, while focusing on the poorest countries.

13. We take note of the progress made by the Board so far on the 2015 Shareholding Review. We attach great importance to these regular reviews,¹ in line with agreed principles. We look forward to further work by the Board on the 2015 Review and commit to its completion by the time of the Annual Meetings in October.
14. The next meeting of the Development Committee is scheduled for October 10, 2015 in Lima, Peru.

¹ In 2010 Governors agreed to conduct periodic IBRD and IFC Shareholding Reviews, every five years, beginning in 2015, noting that: “In each review, the Board of Governors would review the weight of all members in the world economy; review contributions to the WBG development mission; and assess progress towards equitable voting power between developed and developing members. While reviews would take place regularly, shareholding realignment would not necessarily be required with each review, but only when shareholders, through the Board of Governors, decided that the results warranted adjustment.”(DC2010-0006, April 19, 2010)