



**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)

**NINETY-FIFTH MEETING**  
**WASHINGTON, D.C. – APRIL 22, 2017**

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April 22, 2017

**Statement by**

**The Honourable Bill Morneau**  
**Minister of Finance**  
**Canada**

**on behalf of Antigua and Barbuda, The Bahamas, Barbados,  
Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica,  
St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines**

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**95<sup>th</sup> Meeting of the Development Committee**

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At this point in time, it is more important than ever to focus our attention on helping ensure that the benefits of growth are more widely shared, with everyone having a real and fair chance at success. Overcoming the challenges facing the global economy requires concerted international efforts, cooperation and leadership to invest in people and the economy, with the goal of creating jobs that can be sustained and growth that benefits the whole population.

In the midst of this global uncertainty, we are encouraged by the development gains achieved with extreme poverty rates falling by more than half in the past 25 years, lower rates of maternal, infant, and child mortality, and higher enrolment rates in education. Despite these positive developments, much work remains. Our constituency members are committed to multilateralism, as an important lever in addressing these challenges head on, and demonstrating that we are stronger when we work together. This collaboration was most recently shown in the successful International Development Assistance (IDA) 18 replenishment, where we were proud partners in a historic pledge as a pivotal step towards ending extreme poverty.

We need strong international institutions to help coordinate global responses to these challenges. Multilateral development banks are valuable partners, as providers of capital and increasingly as enablers of private capital, and as knowledge institutions. With their ability to leverage development financing, MDBs are uniquely poised to address global challenges. As one of our constituency's most important international development partners, the World Bank Group (WBG) has a comparative advantage with its breadth of expertise and its substantial reach at the local, regional and global level. In this vein, our constituency will have a heightened focus on the following four areas over the next year.

**I. Promoting Institutional Effectiveness and Resource Mobilization**

Achieving the Twin Goals and the 2030 Agenda for Sustainable Development requires ambition and vision. The WBG's Forward Look exercise has brought together management and shareholders to define its role in the international architecture in the medium to long-term, with a view to tackle these challenges. Our constituency supports ongoing discussions of potential options for strengthening the Bank's financial capacity, including through optimization of its balance sheets. Our constituency will continue to be a strong advocate for the WBG to leverage its existing resources as part of any capital discussion.

The Forward Look exercise has been conducted in parallel with a review of IBRD and IFC's current shareholding distribution. Our constituency believes that it is important for emerging economies to have an increased representation at the WBG. As part of the ongoing review, we will continue to favor shareholding allocation options that ensure a balanced outcome between a smooth transition for countries that will have less representation, including small states, and increased representation for emerging economies.

We support the WBG in its crucial role of crowding in the private sector, through the scaling up of risk mitigation instruments and credit enhancements, such as the new IDA Private Sector Window. The cascade approach has the potential to increasingly transform the WBG and the other MDBs from providers of capital, to catalysts of private capital. Well-defined mobilization targets should be at the core of this approach and clear standards on the use of concessional resources and blended finance structures, in order to avoid the creation of distortionary subsidies.

As a foremost knowledge institution, the WBG is well-placed to lead on MDB collaboration and dialogue. We encourage the WBG to continue to work closely with the IMF when addressing countries' financing requirements in periods of macroeconomic instability.

The WBG has demonstrated a credible commitment as the first international financial institution with EDGE (Economic Dividends for Gender Equality) certification. Institutionally, at all levels, the WBG is encouraged to provide fair access to ensure that women have the same opportunities as men when it comes to representation at senior leadership tables. We welcome targets set internally to enhance gender diversity in the senior management ranks of the WBG. We look forward to working with other Governors to enhance gender diversity at the level of the Board of Executive Directors.

## **II. Support Global Inclusive Growth, Resilience and Opportunity**

Encouraging inclusive growth means addressing gaps for those populations that lack access to opportunities. Tackling high levels of unemployment is critical for poverty reduction, but also in support of peace and stability. This is particularly the case for regions such as the Middle East and North Africa (MENA), where youth unemployment is high, and in Europe & Central Asia, where we have witnessed a disappearing middle class as a result of a lack of good jobs. We must focus on creating equality of opportunity as a crucial growth driver, by strengthening labour markets and improving the connectivity of individuals to these markets. In support of the WBG's work, we would support a robust jobs strategy to address growing inequality due to high levels of unemployment, and ultimately contributing to global growth and prosperity.

The full participation of women in the economy is critical to growth, yet important gender gaps remain. Empowering women economically is not only the right thing to do to honour the world's commitments to human rights it is also the 'smart thing' to do for development, economic growth and business. Removing barriers to independence, to facilitate participation in the labour force and access to financial services are crucial. We are committed to working with a broad range of partners to ensure that the goals and targets on gender equality are effectively advanced and implemented, so that women and girls can contribute to, and benefit from, development progress. We urge the Bank to pursue its work to advance the rights of women and girls, agency and voice, by systematically applying the knowledge gained through its research across its operations, including its work through the Gender Innovation Labs to analyse and address the underlying causes of gender inequality. We will continue to work in collaboration with the WBG to champion greater attention and support for sexual and reproductive health and rights through initiatives such as the Global Financing Facility, a proven mechanism for achieving results by mobilizing both domestic and international financing to fund critical health investments in nutrition and family planning.

Climate change threatens to reverse many of the hard won poverty reduction gains, as the poorest and most vulnerable, including women and girls, are disproportionately affected by its impacts. In 2015, in support of the Paris agreement, Canada made a significant commitment to support developing countries adapt to and mitigate the impacts of climate change, and to transition to low-carbon, sustainable and resilient economies. In this pursuit, we would like to highlight the importance of the WBG demonstrating leadership in the reporting of expected greenhouse gas (GHG) reductions, and integrating the assessment of climate risk across all of its work. The WBG can play a leadership role in establishing transparent reporting practices on GHG reductions and on climate co-benefits from its development work. These investments

will support the achievement of the WBG's Paris Agreement commitment to scale-up climate financing to 28 per cent of its annual commitments by 2020. The private sector will play an essential role in scaling up climate finance and accelerating the transition to low-carbon growth, and the WBG is well placed to catalyze this funding through innovative mechanisms like blended co-financing and risk management tools.

We are proud of our collaboration with the IFC through blended finance programs such as the Canada Climate Change Program (CCCP). Through Canada's support for the CCCP, the IFC has effectively used concessional financing to de-risk private sector investments in renewable energy. Looking ahead, we encourage the WBG to continue to develop innovative de-risking tools and collaborative projects to scale up the amount of private financing for climate change mitigation and adaptation activities in developing countries.

### **III. Ensuring an Agile Response to Global Crises**

The United Nations announced that the world is now facing the largest humanitarian crisis since it was founded in 1945, with more than 20 million people in four countries facing starvation and famine. The unprecedented level of humanitarian need and vulnerability we see in the world today underlines the importance of mobilizing partners to achieve collective outcomes for those affected by crises. A nimble, collaborative response is required to address worsening humanitarian situations in the MENA and Horn of Africa regions, and the continued escalation of the refugee crisis. The Bank is a crucial partner in providing much-needed financing to address these crises and we acknowledge the significant efforts made by the WBG since last year's World Humanitarian Summit to strengthen the humanitarian-development nexus, including through the establishment of the Global Crisis Response Platform.

In response, Canada has provided CAD\$119 million in additional humanitarian assistance to respond to the needs of crisis affected people in Nigeria, Somalia, South Sudan and Yemen. These funds will be used to provide life-saving assistance to people in these countries, with particular attention to the needs of women and children. Ireland's humanitarian response is targeted where needs are greatest and focuses on the most severe crises, especially protracted and forgotten emergencies. The core objective of this assistance is to save and protect lives, alleviate suffering and maintain human dignity, before, during and in the aftermath of humanitarian crises, including in regions affected by conflict. In 2016, Ireland provided some €195 million in humanitarian assistance to people affected by crisis and conflict and is providing €20 million in additional humanitarian assistance this year to respond to needs in the Horn of Africa, Yemen and the Lake Chad basin.

We are proud supporters of the recent IDA18 replenishment. This recent replenishment has established a way forward for the Bank to address these daunting challenges, with areas of involvement such as increasing capacity to engage with Fragile and Conflict-Affected States (FCAS) through a doubling of financial support, and the implementation of both the private sector window to effectively crowd-in private sector involvement, and crisis response window, to facilitate more agile responses to global and regional disasters.

The Bank has played a strong and constructive role in advancing the Grand Bargain commitments. As donors, Canada and Ireland are encouraged by the Bank's work in humanitarian settings and with refugee-hosting countries and we encourage collective efforts as an efficient way to meet humanitarian needs, and reduce them over time. Following the World Humanitarian Summit, implementing the Grand Bargain work-stream on multi-year humanitarian funding and planning, will provide much-needed multi-year support to many of our humanitarian partners.

Innovative approaches are also particularly important for those countries most vulnerable to climate-related disasters such as small island developing states. These needs have stimulated the creation of climate risk insurance markets and the smart use of insurance-related schemes for people and risk-prone assets. To

address these critical needs, we encourage the WBG to work with partners to continue to develop a wider spectrum of disaster and climate risk management instruments through ground-breaking programs such as the Caribbean Catastrophe Risk Insurance Facility.

#### **IV. Advancing the Small States Agenda**

Our constituency welcomes the renewed focus on the Small States Agenda within the Bank, particularly the establishment of a Small States Secretariat, the recent Stocktaking Report *World Bank Engagement with Small States: Taking Stock*, and management's commitment to prepare a Small States Roadmap by Spring 2017. Given the extreme levels of climate and macroeconomic vulnerabilities of these small states, irrespective of income levels, we anticipate the roadmap will address priority concerns for these clients underscoring key ways in which the Bank can provide innovative support to assist countries to attain sustainable inclusive growth. The recently formed Small States Executive Directors' Group chaired by our constituency, has provided a helpful mechanism to advance the Bank's engagement on Small States and support management in the preparation of a Small States Road Map. The Small States Forum, now chaired by the Prime Minister of Grenada, a member country in our constituency, can prove to be a useful platform to assist in the search for innovative and transformative solutions.