



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-SIXTH MEETING
WASHINGTON, D.C. – OCTOBER 14, 2017

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October 14, 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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96th Meeting of the Development Committee

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In 1944, the international conference at Bretton Woods established the International Monetary Fund and the International Bank for Reconstruction and Development. These institutions, and the ones that followed, are part of a rules based system that play a vital role in a comprehensive, multilateral response to today's diverse development challenges. They participate in a system of shared principles and standards that provide a framework for interventions to reduce poverty, protect health and the environment, and deliver economic growth. The World Bank Group (WBG) has been front and center in these efforts in its leadership role amongst these institutions. This was once again confirmed in the Bank's timely, agile response to the devastating impact of recent hurricanes in the region, which have affected several member countries of our constituency in the Eastern Caribbean.

To tackle these development challenges, our constituency strongly supports the Bank's Forward Look Agenda that prioritizes sustainable and inclusive growth, investments in human capital, and strengthening resilience. In support of the Forward Look, over the next year, our constituency will focus on the following four areas:

I. Supporting Global Inclusive Growth, Opportunity, and Resilience

Achieving the 2030 Agenda for Sustainable Development requires determination and vision. The WBG is a strategic partner given its global coverage, convening role, and strong financial and technical expertise on a range of development challenges, including the empowerment of women and girls, mitigating conflict and fragility, tackling the learning crisis in education, and addressing climate change.

Our constituency is working closely with the Bank on these challenges. First, we are prioritizing gender equality and the empowerment of women and girls as a central part of reducing poverty and building a more peaceful, inclusive and prosperous world. Earlier this year, Canada launched its Feminist International Assistance Policy which puts gender considerations at the centre of Canada's international assistance. With this new policy, Canada will advance global efforts to promote human dignity, economic growth that works for everyone, environment and climate action, inclusive governance, as well as peace and security. Ireland also places the empowerment of women and girls at the heart of its international development policy, and looks forward to its chairmanship of the Bureau of the Commission on the Status of Women in 2018 and 2019.

Together, we look forward to strengthening ongoing collaboration with the WBG as it works to implement its Gender Equality Strategy, and will assist the Bank in identifying opportunities which can advance the social and economic rights, and improve prospects of women and girls. Similarly, at the institutional level,

our constituency commends the management of the WBG on its efforts to strengthen gender diversity in its workforce. We also remain strongly committed to modelling gender equality by working with other Governors to enhance gender diversity at the level of the Board of Executive Directors. We commend the Bank's leadership in launching the Women Entrepreneurs Finance Initiative (We-Fi) to achieve results for women-owned and women-led businesses. We expect the We-Fi to play a catalytic role in helping women in developing countries to access capital, create jobs and build economies that work for everyone.

Second, our constituency appreciates the Bank's multifold increase in investment and advisory services provided to countries affected by fragility, conflict, and violence, as part of its peace and security agenda. We look forward to seeing enhanced participation of women in conflict prevention efforts and improved economic support to survivors of sexual and gender-based violence.

Third, the World Development Report 2018 on Learning to Realize Education's Promise calls attention to the learning crisis that prevents marginalized children from gaining the skills needed to succeed, and hindering their economic opportunities. We encourage the Bank to build on this important report and engage with stakeholders to improve data and accountability around learning, and investigate the gender dimensions of the learning crisis, in alignment with its Gender Equality Strategy.

Lastly, unchecked climate change threatens to reverse recent poverty reduction gains. Consequently, the WBG has made a historic pledge to increase climate-related financing to 28 per cent of its commitments by 2020. We see too often the impacts of climate change on our small state constituency members, and thus we are highly supportive of this ambitious climate financing goal. We encourage the Bank to remain on track to meet, and then aim to surpass this goal by 2020, regardless of shifting priorities and resource levels. Strong leadership from the Bank will be crucial to helping developing countries meet the emission reduction targets of the Paris Agreement.

II. Mobilizing the Private Sector for Development

Increasingly, the private sector is recognized as a valuable partner in development finance. The WBG's Cascade approach, which prioritizes cost-effective commercial financing, has the potential to increasingly transform the Bank from being simply a provider of capital, to having an increased role as catalyst of private capital. This approach can resonate across the multilateral development bank (MDB) system. We are encouraged by the WBG's progress so far on leading efforts to a shared definition of private capital mobilization. There is great value in MDBs operating as a system rather than acting individually, and exploring all levers for engagement. For example, the *Joint MDB Statement of Principles and Ambitions for Crowding in Private Finance* provides a much-needed framework to set common mobilization targets and is an excellent example of MDB coordination.

Together, MDBs can help overcome impediments in private financing, and achieve a critical mass of investment opportunities that could allow for the creation of a new asset class in emerging markets infrastructure. Ultimately, we would like to see the MDBs harmonize around a limited number of credit-enhancements that are scalable, replicable, and accepted by the market.

Our constituency would encourage the Bank to ensure that everyone shares in the benefits of increased private investment, notably women and girls, such that gender considerations are mainstreamed in infrastructure development. Important lessons have also been learned about how to ensure that the protection of children and other vulnerable persons is at the forefront in any investments, and these must continue to be put into practice. In addition to this work with the private sector, efforts to support increased domestic resource mobilization in developing countries is also of vital importance. On an institutional level, the push to align incentives, provide staff training and monitor progress, are crucial operational adjustments that will better enable the WBG to achieve its mobilization goals.

III. Delivering on the Small States Agenda

In September, several Eastern Caribbean countries in our constituency were deeply affected by hurricanes. We thank the WBG their swift action, and the response of the Caribbean Catastrophe Risk Insurance Facility (CCRIF), which provided timely payments to the Governments of Antigua & Barbuda, Dominica, and St. Kitts & Nevis. The CCRIF is a critical insurance instrument delivering rapid assistance to its member countries.

Our constituency lauds the renewed focus on the Small States Agenda within the Bank, and looks forward to the implementation of the Small States Roadmap, launched at the 2017 Spring Meetings. We welcome the Bank's support for small states in the seven priority action areas which are aimed at facilitating sustainable inclusive growth, human capital development, and resilience to climate change. We are pleased that the Bank is working with partners to explore opportunities for concessional financing criteria to include vulnerability measures. Lastly, the innovative and ambitious IDA18 Replenishment provides crucial support for the IDA-eligible members in our constituency.

IV. Completing the 2015 Shareholding Review Roadmap

As the Bank considers options to augment its financial capacity, our constituency has a strong interest in discussions on a balanced assessment of its financial strength. Our constituency supports ongoing discussions of potential options for strengthening the WBG's financial capacity, including through optimization of its balance sheets, and will continue to be a strong advocate for the Bank to leverage its existing resources as part of any capital discussion. We also encourage the consideration of innovative approaches that could make use of financial strength across the Bank.

In parallel with discussions on strengthening financial capacity, our constituency continues to be engaged in discussions to realign both IBRD and IFC shareholding. Through these discussions, our constituency will continue to emphasize the need for compromise between competing interests and favouring options to ensure a balanced outcome between a smooth transition for countries that will have less representation, including small states, and increased representation for emerging economies.