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-SECOND MEETING
LIMA, PERU – OCTOBER 10, 2015

Statement by
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92nd Meeting of the Development Committee
October 10, 2015
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When we met in Washington six months ago, we discussed the three milestones for development for 2015. Where do we stand now? Just a few days ago in New York, the Heads of State and Government adopted the Sustainable Development Goals (SDGs), which provide a roadmap for development for the next 15 years. In July, the Third International Conference on Financing for Development held in Addis Ababa led to an agreement on the global framework for Financing for sustainable development. The Addis Ababa Action Agenda is a step forward on domestic resources mobilization, debt sustainability and more broadly mainstreaming sustainable development. Lastly, in December, in Paris, COP21 will lay the foundation for a framework for low carbon, resilient development, and this framework should be as robust and bold as possible. In this respect, we, the Governors of the World Bank and of the International Monetary Fund, should reflect on the role our institutions can play in this global agenda for a low-carbon and a poverty-free world.

Given its unique positioning, the World Bank has a key role to play in meeting these targets and in reaching all SDGs through its interventions. The Bank’s twin goals, ending extreme poverty and boosting shared prosperity in a sustainable manner, well reflect this agenda, as well as its broader efforts to meet the basic needs of the global population. The Bank’s universal mandate does not prevent it from focusing its actions on areas where they can be most impactful. Every step is a step forward bringing us closer to reaching the overall agenda. And these are not hollow words when more children are in schools, more water is supplied to villages and homes, more sanitation is provided, and more vaccines are distributed.

I think the areas of focus identified in the report that we are discussing today are appropriate. I would like to highlight the two areas without which, to my mind, the others will not be achieved, namely fragility and sustainability.

Preventing and reducing fragility is a prerequisite for long-term development. Where do we stand on the World Bank’s twin goals? Firstly, on shared prosperity, with a few noteworthy exceptions, fragile states have made the least progress in achieving the Millennium Development Goals (MDGs). Secondly, by 2030, over 60% of the extreme poor will live in the fifty most fragile states. We should strive to avoid this. I could quote other figures, and they would only make a stronger case for us to (i) better assess vulnerability when targeting aid, because official development assistance (ODA) will continue to be the main source of external funding for the least developed countries; (ii) provide support during periods of transition to build legitimate and stable institutions, which is the precondition for balanced development; and lastly (iii) prevent the spread of local crises throughout a region or sub-region. Recent events have shown why this is essential. Think of the Ebola epidemic. Think of the shocking images of migrants. The role of ODA is crucial to provide life-improving solutions to the deep-seated causes of economic migration, by offering prospects in terms of employment, freedom of choice, citizenship and democracy, access to essential services, but also to leisure activities and digital technology. As 400
million young Africans are set to enter the labor market over the next fifteen years, it is vital that we cater to their legitimate expectations for a better life.

The second condition for effective long-term development is sustainability. Why is it so important? Because it is a condition for justice since, at the end of the day, the poorest populations are the most hardly hit by climate change. It is a condition for success in the long run. Development has to be sustainable to be actual and effective. This is why we should set up a general framework that promotes greater resilience to the consequences of climate change, while limiting its repercussions. This means building high-quality and resilient infrastructure. This is the essence of the SDGs, which address adaptation to climate change and mitigation of its effects in all the relevant sectors, including water, energy and agriculture. With its international reach and expertise, the World Bank has a strong comparative advantage amongst institutions to deal with global public goods and help countries roll out their sustainable development policies. The Bank must be bold –I would like to see sustainability more systemically factored into its transactions and the co-benefits of its investments better taken into account.

What measures are required to achieve our goals?

The effects of the reforms undertaken by the Bank are beginning to bear results. The operational reform better aligns the Bank’s structure with the newly adopted Sustainable Development Goals. At the same time, financial reforms are creating margins for manoeuver that increase resources to better support countries under constant resources.

What more can be done? The joint report from the Multilateral Development Banks (MDBs) entitled “From Billions to Trillions: MDB Contributions to Financing for Development” identifies avenues to free up more development funding, among which scaling up domestic resource mobilization, and better articulating funding from the private sector, local stakeholders and the development banks. France strongly supports these crosscutting priorities.

Besides, I would like to add the following remarks as regards more specifically the World Bank Group (WBG):

- Firstly, the resources of the Bank, that are limited, must be targeted towards the most impactful operations as well as operations that reinforce leveraging of both domestic resources and private sector flows. As the international community endeavours to channel ambitious amounts of financing towards mitigating and adapting to climate change, we are confident that the Bank will keep on playing a leading role in that challenge. We also have to make sure that our initiatives will target the poorest and most vulnerable countries that will increasingly host the poorest populations. That is why concessional finance is and will be vital for implementing the 2030 Agenda for Sustainable Development. Lastly, we should work out solutions to increase the involvement of the private sector in financing sustainable development. This should be a priority for all WBG arms, especially the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). This is the spirit underpinning the Addis-Ababa Conference.

- Secondly, France support measures intended to optimize MDBs’ balance sheets, as encouraged by the G20. In this respect, we welcome the progress made on exposure exchanges between MDBs and commend the World Bank for facilitating this outcome.

- More generally, France supports innovative ways to better mobilize scarce MDBs resources and therefore encourages the International Development Association (IDA) to pursue its work on how to leverage its resources. Any option should free up additional resources for the poorest and most fragile countries and could also support the Bank’s global public goods agenda.
These changes should, of course, go along with monitoring and assessing so as to measure the progress made.

I want to see our institutions move forward with implementation of the 2030 Agenda. With this in mind, I look forward to seeing you all in Paris in December for the next important step, the COP21.