Statement by
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Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
We meet today amid what can be described as a period of cautious optimism. Leading indicators show that the global economy has picked up after a sluggish start to 2014. Growth in the global economy in 2015 is projected at 3.9 percent (WEO, October 2014), driven mostly by stronger than expected projections for some advanced economies. This could be further bolstered by the G20’s recent commitment to take more measures to push global GDP by an additional 2 percent by 2018. However, this growth has been uneven with developing and emerging markets, albeit experiencing relatively higher rates than their advanced counterparts, still underperforming at an average growth of below five percent for the third consecutive year. More work must be undertaken to ensure that these economies continue to support the growth momentum for global recovery.

There are also significant downside risks we need to watch out for. Aside from geopolitical risks, the World Economic Outlook (WEO) Update issued on October 2014, shows that structural reforms are urgently needed to close infrastructure gaps, strengthen productivity, and lift potential growth in many advanced and emerging market economies. Many developing and emerging market economies are also still adjusting to tighter financial conditions and implied higher cost of capital since May 2013.

Against this backdrop, we urge that continued efforts be placed on monitoring macroeconomic developments. For substantive progress to be made on the twin goals of ending extreme poverty and ensuring shared prosperity, sufficient and sustainable growth is needed in all countries and regions.

On the development front, this is a period for reflection and consolidation. The year 2015 marks a major milestone when the global community is set to take stock of the Millennium Development Goals – 15 years after they were committed. Much progress has been made including the work to eradicate extreme poverty, for which the World Bank is heavily involved with. This is an opportunity for all countries and development partners to come together to learn from what has been achieved and to formulate new commitments in the form of the post-2015 Global Development agenda. As a leading global development institution, the World Bank Group (WBG) will have an instrumental role to play.

**Change Process and new Client Engagement Strategy**

Last year, Governors spoke in support of the WBG’s twin goals of ending poverty and promoting shared prosperity. This included the reformulation of the WBG into an integrated Solutions Bank. The change
process is now well on its way with a new organization structure which came into effect from 1 July 2014.

Following these changes, the WBG will be in a strong position to fulfil its development objectives. We expect further improvements in terms of the responsiveness and quality of engagements from the WBG. One example where this has already been observed was the swift and decisive action that the WBG took in response to the Ebola outbreak in West Africa. We commend the Bank and urge that this high level of responsiveness continues to be extended to all clients and regions especially in periods of crisis, when such interventions are most critically needed.

More generally, all efforts undertaken by the Bank must stem from rigorous and systematic country diagnostics. Developmental priorities, as outlined in the Country Partnership Framework, must be aligned with the national development plans of each country. Solutions or interventions must be impactful, sustainable and able to build capacity for resilience and self-help consistent with the WBG as a Solutions Bank. Most critically, there must be joint partnership and ownership between the WBG, the client governments and constituent stakeholders for the development initiatives. Maintaining close partnerships and programmatic flexibility to adapt to evolving client needs is expected as part of the Bank’s commitment to client responsiveness.

Our constituency looks forward to continued partnership with the refocused Bank to address the twin goals.

**Promoting Shared Prosperity in an Unequal World**

The Global Monitoring Report (GMR) 2014 presents an honest and robust account of how we are dealing with the challenge of ending extreme poverty and promoting globally shared prosperity, while continuing to monitor progress towards the Millennium Development Goals. We concur with the report’s findings that to make economic growth inclusive and sustainable, we need greater investments in human capital with a focus on the poor, prudent use of safety nets, and policies to make growth greener. We expect that these findings will facilitate the WBG’s work with client governments and support the national development plans of the countries.

The GMR 2014 and the theme of the 90th Development Committee meeting – “Promoting Shared Prosperity in an Unequal World: Key Challenges and the Role of the World Bank Group” is closely aligned with the second and arguably more challenging goal of addressing shared prosperity. This is a more complex endeavor as the issue is universal and would require significant additional resources. Given the enormity of this task, we reiterate the call for the WBG to work synergistically and effectively with members and other development partners to put forth concrete proposals that would contribute significantly towards this global goal of uplifting the bottom 40 percent.

For a start, it is important to frame the issue in a manner in which the target beneficiaries can relate to directly. More than just focusing on topline indicators, helping the bottom 40 percent of any economy will require solutions that address fundamental issues such as access to public goods and fair opportunities for advancement. We look to the WBG to put forth practical and implementable solutions.

Contributing to this effort, we also appreciate the WBG’s flagship reports like the World Development Report 2015 titled “Mind and Society – how a Better Understanding of Human Behavior Can Improve
Development Policy”. Such publications expand the boundaries of our understanding on development issues and spur innovations. They provide policy makers and development partners with an enhanced combination of policy tools with which we can frame and pursue the development growth agenda. In this regard, we encourage the WBG to effectively incorporate this innovative and practical knowledge into its development programs where applicable to strengthen the quality of delivery. Similarly we fully support the Bank’s efforts to build up statistical capacity of its clients. This is a necessary precursor for more robust data-driven analytics and informed decision-making. Having better and timely data on key developmental indicators, including income distribution and consumption patterns within a country would help to maximize available resources and interventions in the best possible manner.

**Pragmatic Partnership and Thought Leadership**

As the leading global developmental institution, the WBG must continue to work collaboratively and effectively with all governments and other development partners in pursuit of the twin goals. As a Solutions Bank, it is incumbent on the WBG to demonstrate thought leadership by setting high standards and safeguards in all of its operations, spurring sectorial best practices and pursuing game-changing development innovations. The WBG must also strive to be a trusted development partner and to be accessible and adaptable in its engagements with members, clients, partners and constituent stakeholders.

On the regional front, the WBG is also instrumental in supporting and partnering regional architectures. A regional-based approach to development allows for a more coordinated and comprehensive way to address trans-border development challenges. We expect that efforts be made to work with regional entities and member governments to develop economic growth plans that are complementary and sustainable.

Many of our constituency’s members are from ASEAN. On behalf of these Governments we would like to acknowledge the support that the WBG has extended to ASEAN. At the 46th ASEAN Economic Ministers’ Meeting in Nay Pyi Taw, Myanmar in August 2014, the group noted that a key achievement of the ASEAN Economic Community has been in the area of equitable economic development plans. In particular, delivering on the initiatives committed under the SME Action Plan 2010-2015. Supporting this work is the drafting of the first ASEAN Framework for Equitable Economic Development (AFEED) Monitoring Report which was done collaboratively with the World Bank. As ASEAN moves ahead to finalize the ASEAN Economic Community’s post-2015 agenda next year, we look towards continued engagement with and support of the WBG in these areas of development.

**Sustainable and Equitable Growth**

**Small and Island States**

In supporting the focus on global shared prosperity, this constituency has repeatedly emphasized the need for the WBG to pay special attention to small and island states. Small and island states by their physical endowments face numerous developmental challenges; small populations, nascent private sectors, dependency on remittances, high vulnerability to climate-related natural disasters, and logistical challenges due to their remoteness. Country focused interventions are therefore vital and much needed. There are also significant opportunities for truly transformational activities to be put in place if the WBG acts collaboratively with other development partners and takes a regional perspective in its development
interventions. Efforts must be made to ensure that these countries keep pace in terms of sustainable and equitable global growth if we are to meet our twin goals.

In this regard, we commend the WBG’s active engagement in the Small Island Developing States (SIDS) global initiative in particular its increased support for disaster and climate resilient development. We welcome the recent announcement by the Bank in developing a Small Island States Resilience Initiative for increased and improved assistance in the face of mounting disasters and climate change – which stifle growth prospects and at times threaten their very existence. We encourage the Bank to facilitate clients’ access to this instrument as well as other ongoing services and support. We also acknowledge the recent publication “Hardship and Vulnerability in the Pacific Island and Well-Being from Work in the Pacific Island Countries” which articulates many of the challenges faced by small and island states in the Pacific region. We look forward to the WBG’s continued engagement with respective client governments to address the challenges highlighted in the report.

Gender

We appreciate the progress made with regards to advancing the Gender Equality Agenda at the World Bank Group. We note that the World Development Report 2012 on Gender Equality and Development is continued to be shared with stakeholders both internally within the Bank and externally. We also appreciate the WBG’s continued commitment towards mainstreaming and promoting gender equality through all of its operations. We urge that these efforts be continually tracked under the WBG Corporate Scorecards and operationalized through the IDA 17 policy commitments. Focus should also be on regions and sectors that are lagging behind and where persistent gender gaps exist.

Bridging the World’s Infrastructure Gaps

As reflected in our previous statement, we concur with the assessment that there are significant gaps in infrastructure financing required to bridge the ever-growing global demand for high quality infrastructure assets. We continue to support efforts to create conducive investment conditions, adequate policy instruments and risk mitigation structures that would attract a wide segment of investors.

Therefore, we welcome the new Global Infrastructure Facility (GIF). This open facility has the potential to address many of the existing bottlenecks by developing a viable pipeline of bankable infrastructure assets that would attract co-financing from a wide range of capital sources. For this to work, trust will need to be built between client governments and investors. This is where the WBG and its partners play a critical role in structuring projects that adhere to appropriate sets of standards and safeguards. Over time, we expect these standards and best practices to be institutionalized across the WBG and for a transformative shift in the financing of all public infrastructure. We look forward to continued progress in this effort and expect to have concrete proposals on the governance, operational principles and project pipelines of the GIF in due course.

Conclusion

The post-2015 agenda requires that the global community pursues with renewed vigor the challenge of ensuring shared and equitable growth for all. The WBG together with other development institutions are well positioned to play an instrumental role in setting both the pace and strategies needed to achieve these goals. On the change agenda, we are pleased to note that the changes are well in effect and that the
Management remains committed to keeping the WBG flexible and responsive to its members, clients and stakeholders. We look forward to receiving regular progress reports on the refocused Bank and the enhanced engagements. We are confident that the Management and Staff of the WBG would continue to meet the high standards and expectations of all its members in pursuit of our twin goals.