Statement by
H.E. Joe Oliver
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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On behalf of Canada, Ireland and the Caribbean countries that comprise our constituency, I would like to thank President Kim for the important convening role played in shaping the Multilateral Development Banks’ joint response to the Sustainable Development Goals (SDGs) and the post-2015 development agenda.

The international community has made important advances in global development in 2015. In July, the third International Conference on Financing for Development occurred in Addis Ababa, while in September, countries adopted the post-2015 development agenda, which Ireland and Kenya co-facilitated, including the Sustainable Development Goals, at the United Nations Special Summit in New York. These events underscore the challenge of ending extreme poverty, addressing global inequality and combating climate change. The global consensus developed through the post-2015 development agenda will help to foster the partnerships required to tackle these development objectives and build upon the achievements of the Millennium Development Goals.

Supporting developing countries in strengthening their resilience to the effects of climate change must remain a core priority for the World Bank Group (WBG), and we urge the WBG to focus on risk assessment and addressing the key drivers of climate change. As a necessary and critical complement to this, we urge the WBG to work with its members and other global and regional financing partners in scaling-up private sector funding to support client counties to both adapt to climate change and to mitigate its impact.

We are cognizant that development financing has changed significantly over the last decade, with increased private financing through foreign direct investment, remittance flows and new development partners, as well as a large increase in south-south financial flows. Official Development Assistance remains essential, particularly for least developed countries and fragile and conflict affected states, and we should continue to explore avenues for maximizing the impact of existing resources, while ensuring that scarce concessional resources translate into development results in the world’s poorest countries.

Now that the international community has adopted the SDGs, and the 2030 Agenda for Sustainable Development, attention is shifting to the implementation of these ambitious global development goals. In order to maximize its contributions to implementing the SDGs, our constituency encourages the World Bank Group to pursue two broad objectives over the next year, as outlined below.
Leverage Additional Resources for Development

The post-2015 agenda will require new and innovative sources of financing. In particular, new tools will be required to incentivize investments from all sources of development financing, including the private sector. Given its expertise and networks, the WBG is well positioned to play an important role promoting partnerships between development actors while also catalyzing the resources needed to make the post-2015 agenda a reality.

The 18th replenishment of the International Development Association (IDA) will take place in 2016. This replenishment process will be the first occurring under the new SDGs, and will expand opportunities for engagement with IDA borrowers as well as new middle-income donors. New donors, including recent IDA graduates, can bring valuable expertise to the IDA table. Our constituency welcomes the WBG’s ongoing work to create new financial tools to leverage additional IDA resources from accumulated equity. We also affirm our belief that scarce IDA resources should be focussed on the world’s poorest and most vulnerable countries. We call on the Bank to ensure that development resources are available for growth and recovery in fragile and conflict affected states.

Our constituency acknowledges the critical role that a vibrant private sector can play in sustainable development. The private sector must play its part as a key driver of inclusive and sustainable economic growth. An entrepreneurial business environment, supported by efficient institutions and rule of law, are central to advancing positive development outcomes. We will continue to support efforts throughout the WBG to strengthen the contribution of the private sector, both within developing countries and globally, to achieving the SDGs.

We encourage the World Bank and the IMF to continue supporting developing countries to improve and enhance domestic resource mobilisation, including taxation systems, which reinforces a country’s ownership of public policy and strengthens accountability. Budgeting and tax policies provide important opportunities for reducing inequalities, including gender inequalities, aligning domestic policies and incentives with sustainable development, and managing macroeconomic stability. We welcome the publication of the OECD Base Erosion and Profit Shifting (BEPS) Reports and note the ongoing efforts by the OECD to involve developing countries in the implementation of the BEPS recommendations. We urge the WBG to work closely with the OECD on supporting the efforts of developing countries to strengthen their domestic tax systems.

We acknowledge the Bank’s efforts to date to explore innovative ways to optimize its balance sheet for additional development lending. We welcome these efforts and look forward to additional progress. Going forward, our constituency stands ready to support the WBG to develop measures to augment the Bank Group’s financial capacity further through additional measures and to support its ability to deliver development results.

Maximize the Impact of Development Resources

Our constituency recognizes that implementing the post-2015 development agenda will require development actors, including new and emerging partners, to work in concert to improve the effectiveness of programming.

In this regard, Canada continues to focus on innovative financing mechanisms in support of the post-2015 agenda. Engagement in platforms like the Global Infrastructure Facility (GIF) and the Global Financing Facility are two key examples. The GIF showcases the Bank’s ability to harness public and private resources for facilitating large-scale infrastructure projects. Canada is a founding donor and the first co-Chair of the GIF Governing Council. Development partnerships and innovative financing are also critical
to the success of another Canadian priority: maternal, newborn and child health - an issue which the Canadian government has championed for several years.

As we embark in implementing the SDGs, we must ensure that scarce development resources are focussed on the world’s most vulnerable and poorest states. Small island states, including those in our constituency, face unique development challenges and require access to concessional financing resources. Further, the Caribbean region faces several acute challenges including heavy debt burdens, high energy costs, an under-capitalized banking sector, and increased vulnerability from adverse weather events as seen most recently in the case of Dominica. These challenges will be best addressed collaboratively. We call on the IMF and WBG to work with other development partners to comprehensively address the region’s growth challenges.

To enhance the development effectiveness of its operations, the World Bank Group should continue to advance its ambitious reform processes in order to strengthen the quality of operations on the ground. Our constituency has actively supported the Bank’s efforts to update its environmental and social safeguards. In addition, we have contributed to the revision of the World Bank’s procurement strategy and trust fund cost recovery policies. We continue to advocate for our constituencies’ development priorities and values to be reflected in these reform processes.

The next year will be significant for shareholding reform at the WBG, as shareholders negotiate a dynamic formula to establish appropriate shareholdings in the institution. Economic weight and contributions to IDA should be crucial elements in this dynamic formula. Also, it is important to ensure that small island states have a voice in World Bank decisions. Through the shareholding reform process, our constituency will play a constructive role in ensuring that the WBG continues to have the mandate and legitimacy to accomplish its poverty reduction role.

The WBG has over 70 years of development expertise and is well positioned to play a significant role in implementing the new SDGs. Going forward, our constituency is eager to collaborate with, and support the important work of the WBG to eradicate extreme poverty and promote shared prosperity globally.