



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)

ONE HUNDREDTH MEETING
WASHINGTON, DC – OCTOBER 19, 2019

DC/S/2019-0055(E)
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Statement by
H.E. Bruno Le Maire
Minister for Economy and Finance

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I wish to begin by congratulating **Kristalina Georgieva**, who is attending this Development Committee meeting in her new role as Managing Director of the International Monetary Fund (IMF) for the first time.

This year marks the **19th replenishment of the International Development Association (IDA), the World Bank's fund for the poorest countries**. As the world's leading concessional lending institution, the IDA plays a vital role in supporting developing economies and is central to the World Bank Group's ambition to end extreme poverty by 2030, as envisaged under the Sustainable Development Goals (SDGs). France, a longstanding and loyal IDA partner, would like to see the global community go further than ever before this year, surpassing the record \$75 billion pledged for the previous cycle.

I would like to touch on three crucial aspects of IDA's mandate:

The first aspect is the IDA's important work in Sub-Saharan Africa, particularly in vulnerable regions such as the Sahel. Forecasts indicate that, in 2030, nine out of ten people living in extreme poverty will be in Sub-Saharan Africa. The continent as a whole faces economic, demographic, social, and environmental challenges on a daunting scale. The World Bank must do everything it can to help address those challenges, especially in the most vulnerable parts of Africa. The Sahel was high on the agenda at the G7 summit in Biarritz earlier this year, when heads of state adopted the Sahel Partnership Action Plan. The IDA must redouble its efforts in the region, where conditions remain fragile for many and varied reasons, posing a serious risk to security and stability. A 30% increase in resource allocation to the Sahel would send out a strong signal of our collective intent to step up support for the region. France will also be monitoring the situation closely as the World Bank scales up its physical presence in fragile States. The Bank can only translate its ambitious commitments into action if it has more staff on the ground, with the right training and skills to build a regional picture of the issues. For that reason, France welcomes the new Strategy for Fragility, Conflict and Violence, which will enable the World Bank—a founding member of the Sahel Alliance—to make a difference to peace, security and development in the region, including by fast-tracking development projects to completion. In the IDA19 cycle, the new regional approach to fragility will also be extended to two further high-priority areas: the Lake Chad Basin and the Horn of Africa.

Climate change is the second key aspect of the IDA's mandate, on account of its impact on the world's poorest. The World Bank Group has pledged \$200 billion in climate investments in 2021-2025, including \$100 billion in direct finance from the World Bank. The additional \$50 billion in climate adaptation finance over the same period will also help the poorest client countries fight climate change. The IDA must play a leading role in supporting World Bank Group climate efforts—not least the ambitious 35% target for activities with climate co-benefits for 2021-2025. The proposed 30% minimum target for IDA19 is a welcome step in the right direction, provided that climate co-benefits from IDA financing flows continue to rise in the coming years, and that the International Bank for Reconstruction and Development (IBRD)

intensifies its efforts in 2021–2025. **Biodiversity and ecosystem conservation are part and parcel of the climate response.** Biodiversity loss hits the living standards of the world’s poorest people hardest, undermining their food and water security as well their resilience to natural disasters. For that very reason, the IDA must throw its weight behind efforts to protect the environment, biodiversity and natural resources, and to promote the blue economy. In some countries eligible for IDA lending, tropical forest and savanna conservation is a matter of fundamental importance.

The last aspect I wish to touch on is institutional capacity-building, without which many development programs simply cannot succeed. In line with discussions at the July meeting of G7 finance ministers in Chantilly, the IDA must raise its ambition across a range of key issues, such as strengthening domestic resource mobilization, improving public financial management, and promoting the very highest standards in government procurement. Other priorities should include enhancing public expenditure control, combating corruption and illicit financial flows, and championing effective, transparent management of public debt. There is growing disquiet around the level and trajectory of public debt in many countries. The IDA’s work on debt sustainability should go some way to mitigating this risk, on condition that it tailors its response to country needs and capacities—and that it unequivocally supports those States working to keep their debt trajectory under control. The final point is worth stressing again because the aim, first and foremost, should be to help States finance their development sustainably.

On the other matters under discussion at this Development Committee meeting, I would like to make the following observations:

I applaud the World Bank for the success of its Human Capital Project, with over 60 countries having signed up since its launch a year ago. The project, which targets key human development issues in low-income countries such as containing population growth and empowering women and girls, aims to channel more energy and resources into raising standards and improving access to the basic services—education, health, and nutrition—that will drive economic growth in the coming decades. The World Bank must sustain its focus on these sectors while helping client countries strengthen their national institutions. I particularly welcome the Bank’s recent initiatives to do more to tackle child illiteracy. In the months ahead, the priority should be to continue implementing projects and programs that make a meaningful impact on the ground.

This year’s World Development Report shines a spotlight on global value chains. I firmly believe that international trade benefits developed and developing economies alike, provided it adheres to a set of stable, rules-based principles underpinned by a multilateral system. Higher tariffs inevitably hit consumers and, ultimately, drag on economic growth. They must be avoided at all costs. International trade should be encouraged because it is one of the main drivers of development, and because of its potentially pivotal contribution to achieving the SDGs. Yet trade is not an end in itself. It brings with it two main challenges. First, individual States must use redistributive policy to make sure the proceeds of trade are shared fairly. All too often, this is not the case. And second, trade policymakers can no longer ignore climate and sustainability considerations—not least the environmental impact of increasing trade flows. For these reasons, the World Bank must action the recommendations contained in the report, especially in its work with low-income countries.

The World Bank’s action plan for jobs and transformation in developing economies comes at just the right time, as 620 million people—over 80% of them in Sub-Saharan Africa—are predicted to enter the labor market between 2020 and 2035. Catering to this demand, and ensuring a sufficient supply of high-quality jobs, will require private-sector development and a shift from low- to higher-productivity activities. I look forward to the World Bank presenting a more detailed vision of its strategy to the Board of Governors in the coming months.

In conclusion, this 100th meeting of the Development Committee marks 75 years since the Bretton Woods Conference. As we renew our commitment to its institutions, we also reaffirm our faith in multilateralism. France has long been an advocate of cooperation and financial solidarity—because the only way to meet the development challenges we face is to work together, as a global community.

President Malpass, Managing Director Georgieva, honored members of the Boards of Governors, thank you for your attention.