



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**

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1. The Development Committee met today, April 16, in Washington, D.C.
2. Global growth continues to disappoint in 2016. Substantial downside risks to growth remain, including weak demand, tighter financial markets, softening trade, persistently low oil and commodity prices, and volatile capital flows. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF), within their respective mandates, to monitor these risks and vulnerabilities closely, and update the Debt Sustainability Framework for Low-Income Countries. We also call on them to provide policy advice and financial support for sustained, inclusive and diversified growth and resilience.
3. We are encouraged by progress on the Forward Look exercise on the medium to long term future of the WBG, which aims to ensure that the Group remains a strong global development institution in an evolving development landscape; and we expect a final report by the Annual Meetings. The Board and management shall develop proposals to ensure that the WBG remains responsive to the diverse needs of all its clients; leads on global issues and knowledge; makes the “billions to trillions” agenda a reality; partners effectively with the private sector; becomes a more effective and agile development partner; and adapts its business model accordingly. The Board and management should continue to consider ways to strengthen the financial position of the WBG institutions, including by optimizing the use of their existing resources, so that they are adequately resourced to accomplish the Group’s mission.
4. Fragility and conflict have displaced millions of people, significantly impacting both origin and host countries. We look forward to WBG and IMF action in this area, within their respective mandates and in partnership with humanitarian and other actors, to mitigate the vulnerabilities of forcibly displaced persons, to help host communities manage shocks, and to tackle the root causes of forced displacement. We urge the international community to take action in supporting these vulnerable populations who largely live below the poverty line. We recognize the sacrifices and generosity of host countries and the lack of adequate instruments to support them. We welcome Islamic Development Bank, UN and WBG efforts to develop the financing facility for the Middle East and North Africa and donor commitments to this initiative. We ask the WBG to explore options to develop a long term global crisis response platform. We look forward to the upcoming first World Humanitarian Summit and the Summit on Refugees at the UN General Assembly.
5. IDA remains the most important source of concessional financing for the poorest countries. We advocate for a strong IDA 18 replenishment with the support of traditional and new donors that ensures continued focus on the poorest countries. We look forward to a concrete and ambitious proposal on IDA leveraging options in the context of the replenishment.

6. In 2016, we begin the task of implementing in earnest the challenging program we committed to in the 2030 Development Agenda. In line with their comparative advantage, the IMF, MDBs, UN and WBG should partner to support developing countries' efforts to meet the SDGs, while adjusting to a slower growth environment and reduced private capital flows. We support collaboration among MDBs on developing high quality financing for sustainable and growth-oriented infrastructure investments. The WBG and IMF should also step up efforts to implement the Addis Ababa Action Agenda on Financing for Development, in particular, crowding in the private sector and boosting domestic resource mobilization, including by tackling illicit financial flows.
7. The private sector is critical to achieve our ambitious development objectives. Inclusive job creation is central to shared prosperity. We encourage all WBG institutions to work together in support of this agenda. In particular, we call on IFC and MIGA to do more to catalyze sustainable economic growth, including by mobilizing funds and providing guarantees in the most challenging environments, and to small and medium enterprises. We also urge IFC, IBRD and IDA to help countries undertake reforms and invest in the quality infrastructure needed to establish business environments that support private investment and local entrepreneurs.
8. Achieving gender equality is central to the 2030 Agenda for Sustainable Development. We welcome the WBG's recent adoption of the renewed gender strategy and look forward to its effective implementation.
9. The WBG should continue to deliver evidence-based development solutions at the country, regional, and global levels, including through improved country data systems, and South-South cooperation both in low- and middle-income countries. We urge the WBG and IMF to become more effective in fragile and conflict situations, through strengthened operational capacity in affected countries, better-tailored capacity development activities, incentives and enhanced security for staff, and innovative financing and resourcing.
10. We stress the need to strengthen country institutions and health systems, including enhancement of pandemic prevention and preparedness, in close collaboration with the World Health Organization and other stakeholders. We urge the WBG to finish the preparatory work on the Pandemic Emergency Facility as soon as possible and foster a new market for pandemic risk management insurance.
11. We applaud the historic Paris Agreement, which set the stage for ambitious climate action for all stakeholders. The WBG's recent Climate Change Action Plan sets out its commitment to help operationalize, based on client demand, climate-smart policies and projects as well as to scale up technical and financial support for climate change mitigation and adaptation, consistent with UNFCCC. Small states, the poor and the vulnerable are among the most exposed to the negative impacts of climate change and natural disasters and we urge the WBG and IMF to continue to step up their support to build resilience in these countries.
12. We welcome the Progress Report on Mainstreaming Disaster Risk Management. We call on the WBG to implement actions and policies using the principles of prevention and preparedness and to continue to build capacity for disaster response guided by the Sendai Framework for Disaster Risk Reduction, in particular, in Small Island Developing States. We look forward to an update on the Progress Report in two years.
13. We encourage management and the Board to finalize the modernization of the World Bank's Environmental and Social Framework by August 2016.
14. We welcome the interim report on the Dynamic Formula and stress the need for the planned further work aiming to reach an agreement by the 2016 Annual Meetings in line with the Shareholding Review principles and the Roadmap agreed in Lima.
15. The next meeting of the Development Committee is scheduled for October 8, 2016.