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Statement by the Hon. **TOM MURDOCH**,
Governor of the Fund and the Bank for **KIRIBATI**,
on Behalf of Kiribati, the Federated States of Micronesia, the Republic of Marshall
Islands, the Republic of Palau, Samoa, Solomon Islands, Tuvalu and Vanuatu

Statement by the Hon. Tom Murdoch, Governor of the Bank and the Fund for Kiribati, on behalf of Kiribati, Micronesia (Federated States of), Marshall Islands (Republic of), Palau (Republic of), Samoa, Solomon Islands, Tuvalu and Vanuatu

Mr Chairman,
Governors,
Ladies and gentlemen

It is an honour for me to address the 2014 Annual Meetings of the International Monetary Fund (Fund) and the World Bank Group (Bank) on behalf of the Pacific countries comprising of the Federated States of Micronesia, the Republic of Kiribati, the Republic of the Marshall Islands, the Republic of Palau, Samoa, the Solomon Islands, Tuvalu and Vanuatu.

Mr Chairman, economic growth in Pacific Island Countries has remained moderate. In most of our islands, growth has been spurred by significant post-disaster recovery activities and donor-financed infrastructure developments. Despite our efforts to create enabling environments to grow our economies and create jobs, our inherent characteristics as small, isolated economies limit our capacity to resist economic shocks and income volatility and access world markets and external capital. Despite such difficulties, we are determined to find innovative solutions to address our challenges. We welcome the ongoing support of the Fund and the World Bank Group in this regard.

We welcome the Fund's Technical Assistance (TA) and capacity development in the Pacific. The Pacific Financial Technical Assistance Centre (PFTAC) in Fiji has continued to play a significant role in building Pacific Island capacities. We welcome the increase in the Fund's TA delivery to Pacific Island countries and would like to see this continued. We also welcome the Fund's focus to ensure policy advice and surveillance inputs are tailored to meet the needs of Pacific Island Countries.

We acknowledge the Bank's ongoing internal change management to create a more efficient, innovative and result-oriented institution. We also welcome the formulation of the fourteen 'Global Practices' and five 'Cross-Cutting Solutions Areas', and the 'New Approach to Country

Engagement'. We hope that these internal changes will deliver the best solutions to all client countries, including an adequate focus on small countries such as ours.

Mr Chairman, natural disasters and the impacts of climate change will continue to affect our development and security. We have witnessed in the past year the devastating impact of cyclones and flash flooding on our island nations. These disasters have caused significant losses and placed enormous burdens on our national budgets and fiscal positions. We therefore welcome the Bank's work on climate change and disaster risk management, and the decision made under IDA17 to integrate climate change and disaster risk management into country planning, strategies and financing; this approach has already taken place in a few of the Pacific countries in partnership with some of the regional organisations. We would like to thank the Bank for making available response mechanisms and innovative solutions such as the IDA Crisis Response Window and the Pacific Disaster Risk Financing and Insurance Program. We reiterate our support for the continuation of the Pacific Disaster Risk Financing and Insurance Program and call on the Bank to further refine this initiative, using lessons learned from past weather events, as well as examine the potential for concessional financing to support the continuation of this initiative.

We also welcome the Bank's catalytic role in working with partners to build its existing climate resilience program in small island states, including most of our countries. We fully support the Bank's recently announced Small Islands States Resilience Initiative that is intended to facilitate for small island states like ours ways to build our fiduciary and safeguards capacity so that we may be able to directly access global financing for resilience and climate change. I would like to re-iterate the call made at the recent Third International Small Island Developing States meeting in Samoa by the Coalition of Atoll Nations that small atoll nations are now living with the effects of global warming and that their populations have nowhere else to go. Sea level rise, more frequent and extreme weather events and acidification are all being felt by our small atoll nations. We need the Fund and the Bank's support to help our nations step up resilience efforts. Furthermore we look to the Bank to facilitate as much as possible quality partnerships consistent with the theme of the SIDS conference to assist us address the development challenges we face.

We welcome the Bank's work on fisheries and oceans, and, in particular, the focus on capturing greater economic benefits from sustainable management of the Pacific region's oceanic and

coastal fisheries and the critical habitats that sustain them. The Palau Declaration arising from the Pacific Island Forum Leaders' meeting in August 2014 noted that "The Ocean is our Life and our Future." This statement reflects the absolute dependency of the people of the Pacific nations on ocean resources for livelihood, food security and economic opportunities. Yet the health and productivity of our ocean are under serious threat from over-exploitation. We need collaborative solutions to issues such as overfishing, illegal, unreported and unregulated fishing, damaging extractive industries, population, invasive species, coastal runoff and other stressors that have weakened the health and resilience of our marine ecosystems.

We welcome the Bank's work on gender as a priority focus area. We believe that inclusive growth and job creation for women and youth can translate into broader development gains such as improving child health and education, alleviating hardship in households and communities, and catalyzing productivity.

Mr. Chairman, our infrastructure needs remain a priority. We welcome the Bank's on-going work in the area of connectivity (including aviation, transportation, and ICT). We also acknowledge the Bank's involvement in some of our countries' energy sectors. All are critical to our sustainable development and need adequate attention. We support the active role the IFC has taken in the sector, working closely with partners in the region including the private sector through innovative public private partnership (PPP) arrangements in our countries. For our smaller islands, where PPPs might not be viable or where there is no formal private sector, we would like to encourage the Bank's ongoing support and technical expertise in this area, with a particular focus on developing the informal sector to generate livelihood opportunities for our communities.

Mr. Chairman, in closing, let me thank the Management and Staff of the Bank and the Fund for their continuous dialogue and commitment to the development of our countries. We would also like to acknowledge the important role of the Bank Sydney office and liaison offices based in the region. We thank you for working collaboratively with all of the development partners that are active in our countries. We have made significant improvements as a result of your engagement and we look forward to continuing this partnership in the year ahead.

I thank you for your attention.