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Statement by the Hon. **MUHAMAD CHATIB BASRI**,
Governor of the Bank for **INDONESIA**

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In opening, a brief word on Indonesia. It's been another challenging year for our country, we have voted for a new President in an election that marks the consolidation of Indonesia's democracy. Meanwhile, the contest awaiting the elect-President Joko Widodo: the slowing economic growth and pressures on the state budget.

Furthermore, combination of unfavorable elements in global environment such as slowing economic growth and the global financial shockwaves has generated considerable pressures on the country's economy and financial market through both trade and financial channels. However, the new government is committed to gradually reduce fuel subsidies in 2015, which should free considerable budget funds for infrastructure and social development.

We welcome the 90th Development Committee Meeting and the selected topics for Promoting Shared Prosperity.

We value the ongoing efforts to enhance the quality of the World Bank Group (WBG)'s engagement with clients and to increase the efficiency and effectiveness of the Bank's operations to meet the corporate twin goals. This change is substantial and should improve both policy and results as well as deepens the alignment of the national development roadmap of each country in every Bank's project.

The Bank should support the country's plans, although it is not always an ideal plan. The WBG needs to stay engaged financially and equally to make difference, even in the most difficult cases including in fragile and conflict affected countries.

With this, Indonesia welcomes the establishment of Global Practices and Cross Cutting Solution Areas which are part of the WBG's efforts to deliver the best service to its clients. We commend the Bank for its open and flexible recruitment practices, internally and externally advertised Directors positions. We also welcome the review of the WBG operation, strategy and evaluation, including Human Resources and Expenditure, to implement this strategic change.

We would also emphasize the necessity to move more quickly and coherently on global macroeconomic imbalances and the need for the Bank, other multilateral Development partners and major relevant countries to push these agendas more compellingly. Strong,

sustainable, balanced and inclusive growth is needed to ensure the agenda of ending poverty and shared prosperity are substantively progressed.

In this regard, we support the WBG commitment to ensure that the benefits of prosperity are equally shared, by shifting the focus of economic development to promote income growth, not only for the extremely poor but also people in the bottom 40 percent. Therefore, we applaud the Bank's efforts in enhancing governance, service delivery and social protection; promoting clean technology; and the Bank's hard work to ensure greater investment in human capital, by providing quality education, easy access to health care, water and sanitation.

On the Global Infrastructure Facility (GIF), we welcome the progress on the initiative. We note that GIF is set to address the issues of gaps in infrastructure financing needed to bridge the growing global demand for high quality infrastructure assets. We support the initiative as the Bank will bring its knowledge, experience and expertise to play a leadership role in developing bankable infrastructure pipelines.

The Bank's leadership together with the efforts to create conducive investment conditions and governance, would support this initiative to bring a wide range of development partners and investors. Therefore, we also reiterate our support on the transfer of WBG Fiscal Year 2014 surpluses in the IBRD, which is recorded as the Bank's contribution to the GIF.

Although we remain supportive of the GIF concept, however for emerging countries with massive infrastructure needs like Indonesia, the concern is not always on the conceptual level, but more on how to develop pilot projects that create decent infrastructure benchmarks. We believe that the pilot project will create lessons to be learnt, while the successful project can be replicated in other countries or regions. Thus, we look forward for further discussions on the implementation of this initiative in the near future.

We also appreciate the WBG's strong commitments on gender equality, but despite a wide range of significant advances, the work on enhancing the role of women in social and economic development has yet to be achieved.

As such, we welcome the Bank's works on the implementation of the Gender Equality Agenda. This includes the policy of incorporating gender analysis in the new country engagement model and the establishment of Gender Cross Cutting Solution Area. The efforts offer a better chance to deepen the Bank's support in addressing gender

inequality. However, the bank needs to continue its efforts through careful analysis and actions through a process of consultation among countries and partners to consider local policies, cultures and wisdom.

In Indonesia, the transfer of decision-making authority under decentralization law has presented new opportunities for women to influence policy and budget decisions that directly affect women. Indonesian women are actively involved in many aspects of public life and face no legal barriers. However, the need for technical support to local government units, such as the health, education and cooperative are still significant. Therefore, we appreciate the role that the WBG has been playing in Indonesia and would urge the Bank to continue.

In conclusion, let us once again pledge our support for the mission to reduce poverty and to boost shared prosperity.