



2015
LIMA
ANNUAL MEETINGS
WORLD BANK GROUP
INTERNATIONAL MONETARY FUND

October 9, 2015

Opening Address by the Chairman of the Boards of Governors
the Hon. **KORDJÉ BEDOUMRA**,
Governor of the World Bank Group and the IMF for **CHAD**,
at the Joint Annual Discussion

2015 Annual Meetings
Address by the Chairman of the Boards of Governors
Honorable Kordjé Bedoumra
Governor of Chad

President Humala, World Bank Group President, Jim Yong Kim, Managing Director of the International Monetary Fund, Christine Lagarde, and Fellow Governors.

Welcome and Introduction

I'm very pleased to welcome you to the 2015 Annual Meetings, the 69th Plenary of the Boards of Governors of the World Bank Group and International Monetary Fund.

I would like to thank the Peruvian government and people, and President Humala in particular, for the warm hospitality. It's a pleasure to have our meetings in such a culturally diverse and historical city, with so much to see and explore.

When one thinks of Peru, one might think of colonial plazas or the majestic Inca ruins of Macchu Picchu. In fact, Peru has a bounty of pre-Columbian cultures, some preceding the Incas by millennia. My own country, Chad, the home of the oldest seven million-year-old hominine cranium, called Toumaï, abounds with some of the richest archaeological sites in Africa, bearing silent testimony to a vibrant civilization dating back hundreds of thousands of years. Peru reminds us that there is much to learn from these ancient civilizations. They sought to achieve a better future by building on the knowledge of previous generations. That is what makes Peru so fascinating –multiple layers of great civilizations, melded with modernity.

Addressing Inequality

Peru's story is shared by many emerging markets and developing countries across the globe, which have largely prospered as they have integrated into the global economy. As a result, there has been a rapid expansion of growth, trade, and capital flows. Since 2009, developing countries' GDP and trade have expanded at average annual rates of 10 percent. Yet the gains from this expansion have not been shared equally. Over the last 15 years, real per capita GDP in low-income countries has increased by almost 70 percent. However, in fragile and conflict affected countries it has risen by less than 15 percent.

Today, global growth continues to remain uneven, with a number of challenges on the horizon reflected in rising financial volatility, large exchange rate variations, and a sharp slowdown in global trade. For developing countries, prospects are also affected by declining oil and commodity prices and increased vulnerability to exogenous shocks due to deepening global integration.

This is especially the case for countries in sub-Saharan Africa who, by 2030, will represent the largest share of the world's poor living in natural resource-based, and fragile and conflict-

affected countries; 29 of the 30 countries with the fastest growing populations are in sub-Saharan Africa. While scarcity of jobs is an important factor contributing to poverty, conflicts make the situation more complex, and are considered major drivers of migration.

As of 2014, there were almost 60 million forcibly displaced people in the world. More than half of all refugees under the mandate of the United Nations are concentrated in only 10 countries, with Chad being the 8th largest in terms of refugee populations. The World Bank Group, the Fund, stakeholders and partners need to think seriously about how to provide support to these refugees and the countries that host them. While these institutions may not be directly involved with conflict resolution, they can help countries develop programs to alleviate poverty, reduce fragility, and curb out-migration, by creating much-needed fiscal space.

Sustainable Development Goals

In that sense, the World Bank Group and the Fund are committed to helping reduce global inequality, recognizing that for growth to be durable, it needs to be equitable. It is fitting that 2015 is a critical year to be talking about shared prosperity. This is the year UN members agreed to the 2030 Agenda for Sustainable Development, a global development path that is more ambitious and comprehensive than the Millennium Development Goals.

The vision of the Sustainable Development Goals, the SDGs, is echoed by the goals of the World Bank Group to end extreme poverty by 2030 and to boost shared prosperity in a sustainable manner. It is also reflected in the Fund's mandate to promote economic growth and stability.

The financing resources needed to implement the SDGs are immense, however, and exceed current available development financing. The World Bank Group, the Fund, and multilateral development banks have recently committed to partner together to attract, leverage, and mobilize trillions of dollars in public and private investments at the national and global levels.

However, more can be done.

Partnerships

All countries, at all levels, must work in partnership to achieve the goals of the SDG agenda. The World Bank Group and Fund will support these priorities by guiding, and hopefully leveraging, financing in search of innovative solutions for development, and helping countries find solutions to promote inclusive and sustainable economic growth. Indeed, creating jobs and fostering inclusive growth have become increasingly important themes in the work of our sister organizations. But we must also do our part. If we are to see these investments materialize. We must also create an environment that supports growth, delivers key public sector services, and maintains macroeconomic stability.

Focused efforts

We need to find innovative and effective ways to address climate change and combat natural disasters. We need to strengthen our regulatory and institutional environments, make our tax systems more effective, and improve transparency and governance to help manage and mitigate risk.

Promoting this type of development calls for sustainable and inclusive growth, driven by investment in infrastructure, quality health care, and education. It calls for measures to mitigate the effects of demographic shifts and immigration, climate change, and rising inequality. It implies investments in better and more reliable data to help improve accountability and service delivery. It calls for building open competition, facilitated by a well-performing labor market. It demands suitable policies and regulatory frameworks that drive job creation and technology transfer.

Our collective international efforts require solutions to issues that reach across borders. Coordination of policies across countries, together with open dialogue on both the programs and financing of solutions, are imperative.

Developing initiatives to respond to these global concerns speak to the strengths of the World Bank Group and Fund to mobilize stakeholders and partners to respond. As we all know, public resources are limited, and support from international financial institutions can be vital for development. It is therefore important to ensure the financial adequacy of development partners to play their role in the 2030 agenda so that they can better leverage available public funds. We must continue to make these organizations stronger and relevant, with a successful replenishment of IDA, working to deliver all the commitments of the shareholding review, and implementing the outstanding 2010 quota and governance reforms of the IMF.

Conclusion

These are ambitious requirements to address ambitious goals. Achieving them requires more than reliance on official assistance from financial institutions. It requires deep partnerships across the globe and in our backyards, with coordination between the private sector, governments, and the international organizations.

It also requires finding ways to ensure people have a voice in decisions which affect their lives and are able to enjoy equal access to markets, services and political, social and physical spaces. In that sense perhaps we can learn from President Humala's intention to build what he calls "a government of agreement, of a wide base where no one will feel excluded."

Thank you again to our hosts. Muchas gracias.