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**The Union Finance Minister Arun Jaitley emphasizes the need for bigger financing and implementation plans by the World Bank Group to achieve the Sustainable Development Goals (SDGs); Finance Minister also emphasizes the need for the significant increase in the capital of the World Bank Group to meet the developmental objectives and review of the Bank's shareholding to reflect share of the developing countries in the global economy**

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The Union Finance Minister Shri Arun Jaitley emphasized the need for bigger financing and implementation plans by the World Bank Group to achieve the Sustainable Development Goals (SDGs); and need for the significant increase in the capital of the World Bank Group to meet the developmental objectives and review of the Bank's shareholding to reflect share of the developing countries in the global economy. The Finance Minister Shri Arun Jaitley was speaking while participating in the Plenary Meeting of the Development Committee in Lima, Peru yesterday. Development Committee is the ministerial-level forum of the World Bank Group and the IMF for intergovernmental consensus-building on development issues. Shri Jaitley represented the constituency consisting of the countries viz. Sri Lanka, Bangladesh, Bhutan and India in this ministerial-level forum.

The Finance Minister Shri Jaitley further emphasized on the responsibility of the developed countries to fulfill their commitment of mobilizing US\$ 100 billion per annum for climate finance, which should be from new and additional sources. He said that the Consultations on the World Bank's proposed "Environment and Social Framework" must ensure that the new framework is realistic, simple to implement and affordable in terms of cost and time. **The full text of the speech delivered by the Finance Minister is annexed here with.**

The Union Finance Minister Shri Arun Jaitley also participated in the Restricted Session of the International Monetary and Finance Committee (IMFC) of the International Monetary Fund (IMF) and the Informal Gathering of World Economic Leaders, organized by IMF and World Economic Forum in Peru yesterday. IMFC is a key body providing strategic direction to the work and policies of the IMF. The two

events, organized as part of the Annual Meetings of the IMF and the World Bank, were attended by select Finance Ministers and Central Bank Governors. The closed door discussions centered on moderation of global growth and heightening of risks and volatility.

Later, the Finance Minister Shri Jaitley participated in the panel discussion on '*The Search for Growth and Stability amid Deflation and Divergence*', organized by Financial Times and Citi Group. Speaking on the occasion, the Finance Minister Shri Jaitley said that the economic conditions in India are reasonably under control, notwithstanding two consecutive years of below normal monsoons. He said that the commodity and oil prices decline have provided fiscal space for enhanced public sector investments in infrastructure and irrigation. Consequently, the Finance Minister said that the country has witnessed a staggering 35 percent increase in the indirect tax collections in the first six months of the current fiscal year. He said that the public investments in infrastructure are now playing a catalyzing role in reinvigorating the private sector investments. The inflation has declined from 11 percent to 3.7 percent during the last 15 months, which have also resulted in reduction of the bank rate and cost of capital, the Minister added. He said that the country is firmly on the path of fiscal discipline and has contained the fiscal deficit at 4 percent (lower than targeted) last year. Shri Jaitley said that the FDI flows to the country have been robust. He cited reports in foreign media that during the last six months, India was the leading destination for investments in greenfield projects, demonstrating the high degree of confidence of the global investors. The financial and forex markets in the country are also stable, notwithstanding recent global volatility, the Minister added.

Other panelists included Mr Joaquim Levy, Brazilian Finance Minister, and Mr Martin Wolfe, a noted economic commentator.

Mr Martin Wolfe complimented India on the management of public finances and the ability to continue with structural reforms. The Finance Minister Shri Jaitley elaborated that the environment for reforms in the country is positive. He said that from co-operative federalism, the country is now moving towards competitive federalism, with various States undertaking key reforms to improve business climate, expedite clearances and promote investments. Shri Jaitley explained that a few of the key reforms such as Goods and Services Tax and Bankruptcy law are high on the Government's agenda.

Shri Shaktikanta Das, Secretary, Department of Economic Affairs, also held bilateral meetings with Mr Wencai Zhang and Mr Diwakar Gupa, Vice Presidents, Asian Development Bank (ADB).

The Finance Minister Shri Arun Jaitley is currently on official tour to Peru to attend the Annual Meetings of the International Monetary Fund and the World Bank and other associated meetings. He is accompanied by Dr. Raghuram Rajan, Governor RBI, Shri Shaktikanta Das, Secretary Economic Affairs, Dr. Arvind Subramanian, Chief Economic Adviser and other officials.

**Following is the complete Text of the Speech of the Union Minister of Finance, Corporate Affairs and Information and Broadcasting Shri Arun Jaitley, delivered at the Meeting of the Development Committee, a ministerial-level forum of the World Bank Group and the IMF for intergovernmental consensus-building on development issues, in Lima yesterday:**

“Strong and inclusive economic growth is necessary for the developing economies to grow, prosper and develop sustainably. Such growth is also necessary for achieving the SDGs as well as the twin goals of the World Bank. With expected growth of only 4.3% for 2015, the outlook for the developing countries has deteriorated. I must, however, add that the countries in my constituency are bucking the trend and are expected to post reasonably strong growth with India likely to grow at around 7.5%, Bangladesh at 6.3%, Sri Lanka at 6.5% and Bhutan at 7%.

The SDGs are ambitious. They would require ambitious financing and implementation plans. The Bank needs to work across all the seventeen goals, especially relating to human development, economic growth, jobs and social protection. I believe that the World Bank Group must demonstrate unstinting support to the 2030 Agenda. While data, climate change and fragility and conflict are important, we should lay greater focus on all development themes in the SDGs and the priorities of the clients. I suggest the WBG may articulate, in an exclusive paper, separate targets for each of the SDGs for its intervention and support. This will enable the Governors to evaluate the WBG performance against these targets.

The MDBs need to play a pro-active role as providers and facilitators of large scale, long term and affordable development finance from private and public sources. Particularly, the World Bank and IFC, will have to significantly increase their level of finance to support the SDGs. The space created for additional lending by “margins of manoeuvre” and other measures will run its course very soon. However, the demand for development finance continues to be very strong. I note the candid admission in the Report about Bank’s inability to support elevated levels of lending beyond 2018. IFC is already capital constrained. The Executive Directors and the Bank should make an objective assessment of the financing needs of the SDGs. I am sure such assessment would call for a significant increase in the capital of the World Bank Group to meet the developmental objectives.

While we are looking to mobilize large scale resources to meet the SDGs, there is the additional challenge of mobilizing over 100 billion US dollars per year for climate finance. I would like these resources to be mobilized from new and additional sources and not at the cost of ODA for poverty and shared prosperity goals. The IBRD

financing which is non-concessional and does not flow from the donor resources should not get accounted for in 100 billion flow.

I welcome the agreement on the Road map for the Shareholding review. I would expect the dynamic formula to be finalized by Annual Meeting 2016, incorporating elements which help enhance the voice, role and voting share of the developing countries and reflecting their increased share in global GDP and their contribution to building the Bank's reserves. Given the increase in share of the developing and transitioning countries in the world GDP from 39% in 2008-2010 to 49% 2013-15, shareholding realignment should reflect the same and be completed by 2017.

I congratulate the team of World Bank and IMF in putting forth the theme of demographic transition as opportunity for development in this year's Global Monitoring Report, 2015. India, Bangladesh and Bhutan are early dividend countries and are taking steps to leverage their demographic transition to achieve SDGs.

The consultations on the World Bank's proposed "Environment and Social Framework" must ensure that the new framework is realistic, simple to implement, and affordable in terms of cost and time. I am sure the Bank will suitably revise the framework after completing genuine, transparent, and borrower focused consultations.

In the end, I wish to say that we have a long way to go and believe that strong collaboration among all the nations will be sine qua non to achieve SDGs ahead of 2030".

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