

JOINT STATEMENT BY THE GOVERNORS OF THE BANK FOR SOUTH ASIA COUNTRIES

ON IDA19 REPLENISHMENT

OCTOBER 18, 2019

The World Bank Governors of countries in South Asia expressed their strong support to the International Development Association (IDA) and the IDA19 replenishment process.

IDA has played a significant role in the development journey of the South Asia region where countries have undergone a significant transformation over the course of the past decades. Extreme poverty has been dramatically reduced, access to education and health services has improved, and economic growth has been sustained. The graduation of India and Sri Lanka from IDA in 2014 and 2017 respectively provides lessons of transformational IDA approaches to development.

Challenges remain in the region despite the significant progress. South Asia is still home to one third of the world's poorest. Countries in the region are among the most vulnerable to climate change, impacting an estimated 800 million people. Every month, over 1.8 million young people reach the working age. Female labor force participation remains low. Refugee crises are increasing the risks of fragility. The large young populations, increasing fragility, and the compounding impacts of climate change underscore the need for swift action. Hence, we support a strong ambition for IDA19.

IDA19 will be critical to support South Asia build on past achievements and make an impact on the lives of the poor. Success in South Asia will be key to the global efforts to eradicate poverty, promote shared prosperity, and achieve the Sustainable Development Goals. This requires building on ongoing actions to address the challenges of economic transformation and jobs; climate change; human development and gender equity; governance; and fragility, conflict, and violence.

For strong development impact, World Bank's knowledge needs to be blended with concessional financing for a real transformation of institutions, systems, and governance. There

is also a need to make best use of technology to enhance capabilities and share developmental expertise in a cost-effective manner. In this regard, IDA can leverage South-South cooperation to share knowledge and expertise. IDA needs to partner with IDA graduates to enable the sharing of developmental experience and transformational technologies in the sectors like skills enhancement, education, renewable energy, citizen identification, digital governance, and financial inclusion. This will provide IDA19 with a lasting legacy of far reaching developmental impact.

Given the spill-over impacts of refugee crises and/or forced displacement and the substantial humanitarian burden on host communities, we support the proposed Window for Host Communities and Refugees. The window has the potential to proactively supplement the efforts of client countries.

Given the pressures for job creation in South Asia, we welcome the emphasis on Jobs and Economic Transformation across all regions in an effective manner. IDA clients require financing through both public and private sector investments, and therefore we support the Private Sector Window. We also strongly support the governance agenda in all IDA clients, to help build strong institutions, robust regulatory framework, and citizen-centric good governance.

The Governors underlined the critical importance of a financially strong IDA19 whose proposed policy commitments and themes resonate with the development strategies of the countries in South Asia¹.

¹ The member countries in the South Asia Region of the World Bank Group are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.