



World Bank Governor's Statement No. 9

October 25, 2024

Statement by the Hon. **ALI BIN AHMED AL-KUWARI**,
Governor of the IBRD for **QATAR, ON BEHALF OF THE ARAB GOVERNORS**

Statement by the Hon. Ali bin Ahmed Al-Kuwari,
Governor of the IBRD for Qatar,
on Behalf of the Arab Governors

Regional Context: Fragility related to Wars and Conflicts

The horrifying war on Gaza and lately on Lebanon has added an additional layer of complexity, with spillovers impacting not just the Palestinian economy but also neighboring countries. In early April, the joint World Bank-UN-EU Interim Damage Assessment estimated the cost of destruction of infrastructure in Gaza at \$18.5 billion (as of January 2024), equivalent to 97% of the Palestinian economy in 2022. The tripartite group is now preparing a Rapid Damage and Needs Assessment which is expected to reveal damage, loss and needs figures for 2024-2026. The \$18.5 billion figure for damage and needs is based on the assumption that the cost of reconstruction is 1.5 times the cost of damage.

IMF's capacity-building and technical assistance, especially in domestic resource mobilization, fiscal and public investment management as well as debt management, remain crucial for building long-term economic resilience. In this context, the Middle East Technical Assistance Center (METAC) and the Kuwait-based IMF Center for Economics and Finance (CEF) play an invaluable role in strengthening local capacity and providing targeted training and technical support. We appreciate the increased capacity development efforts in FY24 and anticipate continued support going forward. In this connection, the recently established IMF's regional office in Riyadh should help deepen engagement and strengthen collaboration between the IMF and the region. We also encourage robust collaboration between the IMF and regional institutions, such as the Arab Monetary Fund and the Arab Fund for Economic & Social Development, to ensure the Fund's support remains responsive to the specific circumstances of our countries.

We welcome the conclusion of the review of the IMF's Charges and Surcharge policy, which approved a comprehensive package of reforms that substantially reduces the cost of borrowing, while safeguarding the IMF's financial capacity to support member countries. We also underscore the importance of enhancing the financial sustainability of the IMF's Poverty Reduction and Growth Trust (PRGT) and ensuring adequate and timely access by eligible countries to the Trust, which remains a cornerstone of the Fund's engagement with Low Income Countries (LICs) in our region and globally. The favorable terms of PRGT financing play a critical role in supporting poverty reduction and helping countries achieve their Sustainable Development Goals. Given the rising needs of LICs amid global uncertainties, we call for ensuring the PRGT sustainability and capacity to effectively perform its role.

The Resilience and Sustainability Trust (RST) is also an important tool for supporting long-term transformational challenges in low- and middle-income countries, and we urge the IMF to

MIGA, serving as a one-stop shop that will deliver simplicity, improved access, and faster execution with the aim of boosting annual guarantee issuances to \$20 billion by 2030. However, MIGA should expand its risk tolerance by seeking new ways to confront current challenges, including the introduction of innovative product offerings. In situations where reinsurance options are limited, bilateral support could enhance MIGA's efforts, particularly through mechanisms like shared first loss and risk participation. As MIGA aims to streamline its array of guarantee instruments and develop new ones, there should be an emphasis on products tailored to the unique needs of conflict-affected areas.

We call on both IFC and MIGA to continue to develop new PCM products while improving alignment with the needs of new partners and potential investors. We reiterate our request for IFC to consider substantial blended finance windows aimed at MICs, especially those facing fragility, conflict, displaced and refugee populations. We look forward to the implementation of the WBG's Global Challenge Programs (GCPs) and hope they will receive adequate resources to enable the crowding-in of public and private sector financing that helps countries tackle key global challenges. In addition to these efforts, we encourage WBG to establish robust staff incentives alongside ambitious targets and transparent reporting to increase impactful private capital mobilization.

Enhancing Resilience

