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Opening Address by the Chair of the Boards of Governors,
the Hon. **HASSAN ABDALLAH**
Governor of IMF and the World Bank for the **ARAB REPUBLIC OF EGYPT**
at the Joint Annual Discussions

2022 Annual Meetings
Address by the Chair of the Boards of Governors
Mr. Hassan Abdalla
Governor for the Arab Republic of Egypt
October 14, 2022

1. It is my great pleasure to welcome you to the 2022 Plenary of the Boards of Governors of the International Monetary Fund and the World Bank Group. I am pleased that we are meeting in person today, which is a testament to the extraordinary collective will that allowed us to combat a global pandemic.

2. Since we last met, the global economy has been hit by multiple shocks. The implications of the war in Ukraine and the lingering pandemic weigh heavily on the global economic outlook, affect livelihoods, and create difficult tradeoffs for policymakers. Inflation is at multi-decade highs with rising food and energy insecurity, supply-chain disruptions, and debt vulnerabilities. Financial conditions are tightening, while capital flow and exchange rate volatility have increased dramatically. My concern is mostly about low and middle-income countries that face all these challenges. They also face formidable development challenges, with insufficient financing and limited access to markets. Many of these countries are in the Middle East and Africa, in which Egypt is rooted given its critical geographic location. In addition to the essential financing, policy advice, and capacity development provided in the past two years, the IMF and the World Bank Group have a central role to play in supporting the membership at this critical juncture. I would like to focus on a few of these priorities:

3. In their policy advice, the Bretton Woods Institutions need to guide countries' policy responses, while continuing to be mindful of social and political economy considerations. This applies to fiscal responses to high food and energy prices, and to the complicated tradeoffs facing monetary policy. More must be done to address rising debt vulnerabilities that affect an increasing proportion of Emerging Market and Developing Countries. The IMF needs to continue working with partners to tackle current and future debt challenges. The World Bank Group must help prevent the reversal of hard-won development gains, particularly in the poorest countries.

4. In their financial support to members, the Bretton Woods Institutions need to be agile and generous. Since the beginning of the pandemic, the IMF and World Bank Group acted rapidly, including through the 650 billion SDR allocation, and significantly expanded financing. They should continue providing this support, including to vulnerable middle-income countries. In order to support the global economy, these institutions need to be adequately resourced themselves. In this connection, I look forward to a successful conclusion of the IMF's Sixteenth General Review of Quotas.

5. We must also not lose sight of longer-term challenges, notably job creation, more equal opportunities, economic diversification, climate change, and digitalization. Rising inequality and fragility heighten the need for action. By 2030, climate change alone could push up to 132 million people into extreme poverty. We must act collectively, with a deep commitment to global cooperation. World Bank Group lending for climate-related investments reached nearly 32 billion dollars the last fiscal year, and support for climate change adaptation is significantly increasing. The World Bank Group's 170 billion dollars crisis response package supports global public goods, which benefits all countries. To help members build resilience against climate change and future pandemics, the IMF rolled out the Resilience and Sustainability Facility. We look forward to an expansion in the scope of this facility, in due time, to include more structural challenges. The IMF also approved a new food shock financing window for countries most in need. However, more efforts are needed to ensure that pledges to the "Poverty Reduction and Growth Trust", as well as the "Resilience and Sustainability Trust" meet the global ambition to voluntarily channel 100 billion of unused SDRs. Once financing for these trusts is ensured, consideration could be given to channeling part of the SDR reserves through Multilateral Development Banks.

6. Egypt is fulfilling its role on climate change and is proud to be hosting the 2022 United Nations Climate Change Conference, COP 27, in November in Sharm el Sheikh. COP 27 will focus on financing for adaptation, including compensation for economic losses and damages due to climate catastrophes. International Financial Institutions, in particular Multilateral Development Banks, have a significant role to play in supporting low emissions and a just transition to climate resilience. They should facilitate access and increase allocations of climate finance, and expand their concessional instruments and risk appetite on climate.

7. Colleagues, we have a saying in my country, اول الشجرة بذرة which means that the tree begins with a seed. In this difficult global environment, let us together plant a seed for our shared future. We owe it to our people, whom we ultimately seek to serve. This year, the theme for the Annual Meetings is guided by some of the complex challenges facing the membership. As we tackle these challenges, I urge you to actively listen to the debates, generously share your ideas and experiences, and brainstorm with your colleagues from across the globe to arrive at impactful solutions.

8. The broad-based membership of the IMF and the World Bank Group and the timeless framework of multilateral cooperation provide us with the opportunity to put the global economy back on sound footing and achieve our shared goals of prosperity and inclusive growth everywhere.

Thank you.