



CANADA AT THE IMF AND WORLD BANK GROUP

2012–2013

REPORT ON OPERATIONS UNDER THE BRETTON WOODS
AND RELATED AGREEMENTS ACT

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Foreword by the Minister of Finance

I am pleased to present to Members of Parliament and the Canadian public this annual report, entitled *Canada at the IMF and World Bank Group 2012–2013: Report on Operations Under the Bretton Woods and Related Agreements Act*.

Five years after the onset of the financial crisis, the global economy remains weak and unemployment is unacceptably high. Strengthening the recovery, boosting job creation and ensuring sustainable public finances are the top priorities for global policy makers. While many developing countries have shown sustained growth and declining poverty, development challenges remain: a disproportionate share of youth are unemployed, progress on improving basic health and sanitization is lagging, and more than 1.2 billion people still live in extreme poverty.

As Canada's Governor at the International Monetary Fund (IMF) and World Bank Group, I am pleased with the efforts these institutions have made to support member countries from crisis to recovery. Continued vigilance is needed to address the ongoing challenges the global economy faces, and to set the foundations for strong, sustainable and balanced growth. Canada has, and must continue to have, an active role and strong voice at these Bretton Woods Institutions. Our views and objectives are set out for each institution in this report, and will guide our interactions for the coming year.

For the IMF, it is imperative that the institution continues to have the appropriate tools and governance structure to promote global economic and financial stability. The institution must provide effective lending programs with appropriate conditionality, and Canada will continue to advocate that they be supported by objective reviews of their design and effectiveness.

I would like to express my appreciation for the IMF and the World Bank's support of the Group of Twenty (G-20) Working Group on the Framework for Strong, Sustainable and Balanced Growth, which Canada co-chairs with India. Their analyses have played a critical role in discussions that led to the Action Plans and Accountability Assessments approved by G-20 Leaders.

The World Bank Group is evolving and adapting to a changing environment. Some of its existing borrowers are moving towards graduation, and there is scope for more targeted lending activity and utilization of the Bank's convening power. Over the last year, the Governors of the World Bank Group endorsed the overarching goals of eradicating extreme poverty and promoting shared prosperity. In this context, Canada will advocate that the Bank use its resources to leverage partnerships and provide leadership on innovative development initiatives that engage the private sector.

Taken together, Canada will continue to play an integral part in the growth and modernization of the Bretton Woods Institutions, as we have for the past 70 years.

The Honourable James M. Flaherty, P.C., M.P.

Minister of Finance



Purpose of This Report

This report summarizes the main developments at the IMF and World Bank Group in 2012–13, and reports on past and present objectives that are of core importance to Canada as a large shareholder in these institutions.

This report has been prepared in line with the Government's commitment to transparency in Canada's engagement with the IMF and World Bank Group, and in accordance with the requirements for annual reporting laid out in sections 13 and 14 of the Bretton Woods and Related Agreements Act:

The Minister of Finance shall cause to be laid before Parliament, on or before September 30 next following the end of each calendar year or, if Parliament is not then sitting, on any of the first thirty days next thereafter that either House of Parliament is sitting, a report containing a general summary of operations under this Act and details of all those operations that directly affect Canada, including the resources and lending of the World Bank Group, the funds subscribed or contributed by Canada, borrowings in Canada and procurement of Canadian goods and services.

The Minister of Finance shall cause to be laid before Parliament the communiqués issued by the Interim Committee of the International Monetary Fund and the Development Committee of the International Bank for Reconstruction and Development and the International Monetary Fund.

This is the first report to Parliament since Bill C-38 (Budget 2012 Implementation Act) amended the reporting date from March 31 to September 30. It covers the period from January 1, 2012 to June 30, 2013. This new reporting date increases accountability to Canadians by aligning it with the Government's annual report on development assistance, tabled each year in the Fall. It is also better aligned with the fiscal year-ends of the IMF and World Bank Group of April 30 and June 30, respectively.



Overview

The International Monetary Fund (“IMF” or “the Fund”) and World Bank Group were founded at the United Nations Monetary Conference in Bretton Woods, New Hampshire, in 1944 to promote reconstruction and economic recovery after World War II. Since then, the mandates of these institutions (known as the “Bretton Woods Institutions”) have evolved to focus on promoting global economic stability and poverty reduction.

Canada is a member country of the IMF and of the World Bank Group’s International Development Association (IDA), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA).

Canada is among the largest shareholders at the IMF and World Bank Group. As a significant shareholder, Canada has an important governance role at both institutions. The Minister of Finance represents Canada on the Board of Governors of both the IMF and the World Bank Group. Governors delegate day-to-day decisions to an Executive Director at both institutions. Given Canada’s shareholding and level of engagement, the Executive Directors representing our constituency at both institutions have traditionally been Canadian.¹

This report to Parliament and the Canadian public provides an overview of the operations of the IMF and World Bank Group, discusses key developments at both institutions in 2012–13, describes Canada’s engagement and contributions, and reports on objectives that are of core importance to Canada.

Canada’s objectives at the IMF over the reporting period were:

- 1) Ensure the IMF has the appropriate tools and governance structure to promote global economic and financial stability;
- 2) Increase the traction of IMF surveillance and policy advice to bolster crisis prevention; and
- 3) Promote effective IMF lending programs and conditionality to address the root causes of instability.

Canada’s objectives at the World Bank Group over the reporting period were:

- 1) Promote appropriate financial instruments, policies and partnerships that strengthen program delivery within the World Bank Group;
- 2) Uphold the legitimacy of the World Bank Group, including through appropriate governance and accountability structures; and
- 3) Lay the groundwork for a successful replenishment of IDA, which is scheduled to occur in 2013.

¹ Canada’s constituency includes Antigua and Barbuda, the Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Guyana (World Bank Group only), Ireland, Jamaica, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.



This report is prepared by the Department of Finance in consultation with other government departments and agencies, with input from the Canadian Executive Director's Office at the IMF and World Bank Group. Within the Government of Canada, the Department of Finance coordinates Canada's engagement with the IMF and World Bank Group, consulting closely with other government departments and agencies, including the Bank of Canada and the Department of Foreign Affairs, Trade and Development.

Links to more information are provided throughout the report. For detailed information on the end-of-year financial performance of the IMF and the World Bank, refer to the annual report of the IMF and World Bank, respectively. Additional information on Canada's official development assistance activities at the Bretton Woods Institutions is available in the Government's annual report on the Official Development Assistance Accountability Act.



The International Monetary Fund

Key Developments at the IMF in 2012–13

Supporting the Membership Through a Weak and Uneven Economic Recovery

From January 1, 2012 to April 30, 2013, the period covered by this report, global economic growth continued to slow, unemployment remained unacceptably high, and risks continued to be tilted to the downside. The effects of the weak and uneven economic recovery were felt across the diverse membership of the IMF, and growth prospects were marked down by the IMF five times in a row, most recently in July 2013 to 3.1 per cent in 2013 and 3.8 per cent in 2014. During this time, the Fund continued to support its broad membership, from large European economies to small island states in the Caribbean, as they worked to tackle and overcome the challenges posed by the weak economic environment. At the same time, the IMF took key steps to strengthen the effectiveness of its core activities (economic surveillance, advice and adjustment lending) while continuing the process of modernizing its governance.

IMF Lending and Total Exposures in 2012–13

The IMF's financial operations are conducted in Special Drawing Rights (SDRs). The SDR is the international reserve asset created by the IMF to supplement the existing official reserves of member countries. It can be exchanged for the freely useable currencies of IMF members. The SDR serves as the unit of account of the IMF, and its value is based on a basket of currencies comprising the US dollar, euro, pound sterling and Japanese yen. The SDR interest rate is a weighted average of interest rates on short-term financial instruments in markets of the currencies in the SDR basket. On April 30, 2013, 1 SDR equalled 1.52 Canadian dollars.

To assist its members in need, the IMF utilizes three main types of lending arrangements: (1) non-concessional lending to provide temporary assistance to countries facing balance of payments difficulties; (2) concessional lending for low-income and vulnerable members facing similar challenges; and (3) subject to qualifying criteria, precautionary credit lines to countries with a potential financing need. For more information on the IMF's operations refer to Annex 1.

Table 1 lists lending arrangements that were approved from January 2012 to April 2013. During that period, the IMF approved 20 lending arrangements for a total of SDR 100 billion (approximately \$152 billion). Chart 1 shows the number and size of lending arrangements over the past 10 years. For the IMF's 2013 fiscal year (FY2013, which runs from May 1, 2012 to April 30, 2013), 12 programs were approved for a total of SDR 75 billion. The number of arrangements approved in FY2013 is the lowest in five years, and highlights a continued decline in IMF lending activity since the height of the global financial crisis. However, in FY 2013 the total size of these arrangements was the second largest in the IMF's history. This largely reflects the renewal of major precautionary arrangements with Mexico (SDR 47.3 billion) and Poland (SDR 22 billion), and a new arrangement with Morocco (SDR 4.1 billion), none of which have been drawn to date. The new Extended Fund Facility arrangement with Greece (SDR 23.8 billion) approved in March 2012 is by far the largest non-precautionary program approved during the reporting period.

At end-April 2013, the IMF had SDR 152 billion in resources committed to active programs in 41 countries. Chart 2 shows a regional breakdown of these resources. Europe (61 per cent) and the Americas (34 per cent) accounted for the largest share of IMF commitments. In the Americas region, this reflected the large precautionary programs with Mexico and Colombia. In Europe, this was a reflection of the large adjustment programs with Greece, Ireland and Portugal.



Table 1

IMF Lending Arrangements Approved¹ From January 2012 to April 2013²

| Lending Facility | Amount Agreed (SDR billion) | Countries Entering Arrangement |
|--|-----------------------------|---|
| Stand-By Arrangement | 1.9 | Bosnia and Herzegovina, Georgia, Jordan, Kosovo |
| Extended Fund Facility (EFF) | 23.8 | Greece |
| Flexible Credit Line | 69.3 | Mexico, Poland |
| Precautionary and Liquidity Line | 4.1 | Morocco |
| Poverty Reduction and Growth Trust (PRGT) Extended Credit Facility | 1.1 | Bangladesh, Burundi, Central African Republic, The Gambia, Guinea, Liberia, Malawi, Niger, São Tomé and Príncipe, Solomon Islands |
| PRGT Standby Credit Facility | 0.3 | Georgia, Tanzania |
| Total | 100.5 | |

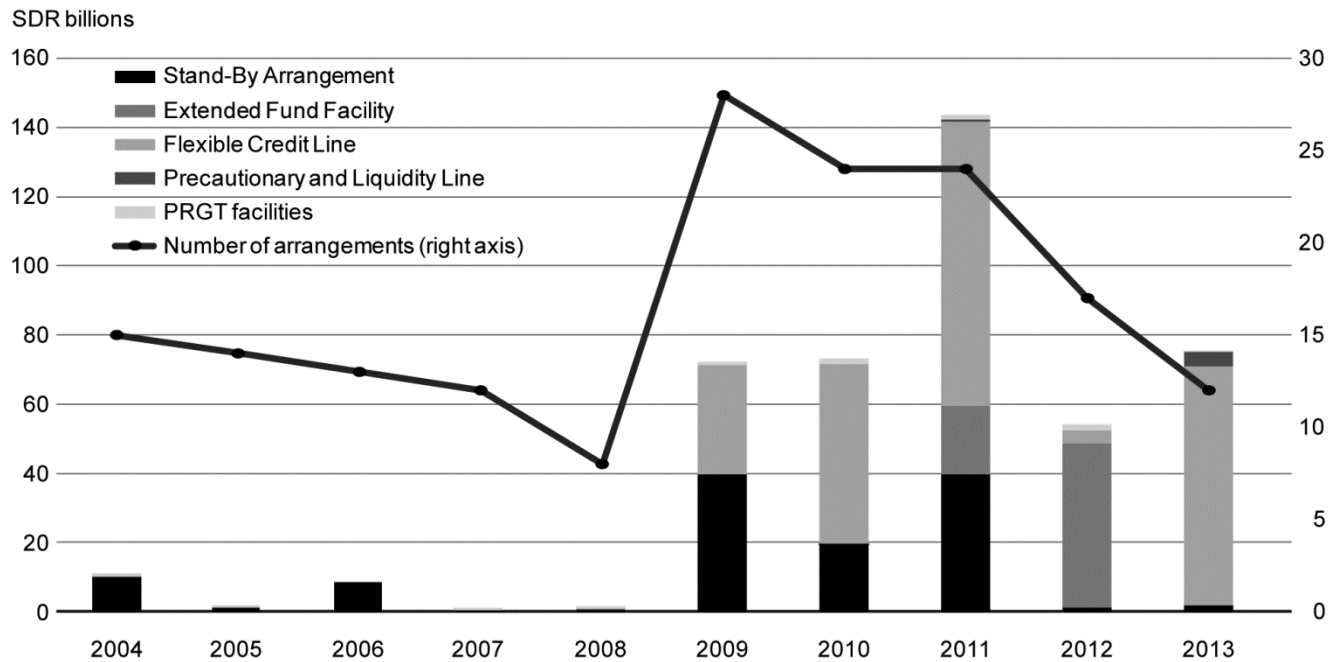
¹ An approved lending arrangement refers to total resources committed over the life of a lending program agreed during the period. It does not reflect resources drawn over the reporting period. For details on total resources drawn, see Annex 3.

² The IMF has since approved EFF arrangements with Cyprus and Jamaica in May 2013.

Source: IMF.

Chart 1

IMF Lending Arrangements Approved During Fiscal Years Ended April 30, 2004–2013

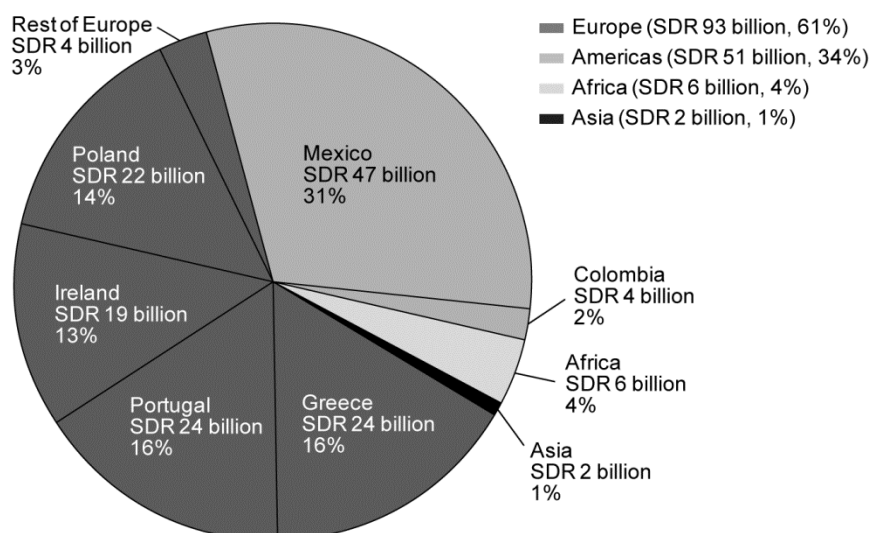


Source: IMF.



Chart 2

Active Arrangements by Country/Region as of April 30, 2013 Size of Arrangements and % of Total



Source: IMF.

Tackling Challenges in Europe

The euro area² continued to face serious challenges over 2012–13, with the region remaining in recession over the entire period. In collaboration with European institutions (the European Commission and the European Central Bank), the IMF continued to support economic reform programs in Greece, Ireland, Portugal and most recently Cyprus with large-scale adjustment lending, program monitoring and technical assistance. The economic adjustment programs were designed to address fiscal, financial sector and competitiveness weaknesses (as appropriate in each circumstance), and help countries move to a path of sustainable growth, sound finances and job creation.

Large-Scale Lending to Euro Area Countries

In March 2012, in recognition of the protracted nature of economic challenges in **Greece**, the IMF replaced the existing three-year arrangement (agreed in May 2010) with a new four-year €28-billion economic adjustment program. The new program, agreed alongside €144 billion from European institutions, smoothed Greece's planned fiscal consolidation over a longer time period and included restructuring of Greece's privately held public debt on two occasions, in March and December 2012. In addition, euro area Finance Ministers pledged to support Greece going forward with financing and debt relief, sufficient to reduce Greece' debt-to-GDP (gross domestic product) ratio to 124 per cent by 2020 and substantially below 110 per cent by 2022, so long as Greece continues to implement its reform commitments. The commitment by Greece's European partners to provide further assistance, as needed, to meet debt-to-GDP ratio targets was key to Canada's support for the new program.

² The Euro area is defined as the grouping of 17 countries within the European Union that share the euro as their common currency. As of January 1, 2014, Latvia will become the 18th member of the Euro area.



Ireland and **Portugal** continued to implement important reforms as part of their adjustment programs, which are scheduled to expire in December 2013 and March 2014 respectively. Ireland's economic downturn began in 2008 following the bursting of its housing bubble, which had inflated throughout the early 2000s due to low interest rates and easy credit conditions. When the housing bubble burst, banks suffered heavy losses and public finances weakened rapidly as government actions to address the country's exceptionally deep banking sector crisis cost an estimated 40 per cent of GDP. In December 2010, Ireland entered into a three-year economic adjustment program with the IMF (€22.5 billion) and Europe (€45 billion) focused on restoring banking system health, fiscal sustainability and economic growth. Portugal, on the other hand, faced difficulties adapting to the constraints of the monetary union. Over time, the competitiveness of the export sector eroded due to rising wages and inflexible labour markets. As the financial crisis hit, the private sector was excessively leveraged as a result of easy credit, and government finances had severely deteriorated. In May 2011, Portugal entered into a three-year economic adjustment program with the IMF (€26 billion) and Europe (€52 billion) focused on fiscal consolidation, restoring competitiveness and stabilizing the financial sector.

Cyprus had a very large banking sector that peaked over eight times the country's GDP, with heavy reliance on large and volatile foreign deposits. When risky investments in overheating domestic real estate and the Greek economy collapsed, Cypriot banks were estimated to need capital injections of 60 per cent of GDP, far exceeding the capacity of the government to provide capital. In May 2013, Cyprus entered into a three-year economic adjustment program with the IMF (€1 billion) and Europe (€9 billion), which included substantial private sector burden sharing, including losses on uninsured deposits, during the restructuring of its two largest and insolvent banks.

IMF Engagement in Europe

The IMF does more than just lend; it has significant expertise in advising its members at both the country and regional level on their policy frameworks and in identifying and spurring members to respond to risks and deficiencies. In 2012–13, the IMF held annual consultations to assess the common policies of the euro area as a whole, provided a regional outlook for Europe in its flagship global surveillance reports, produced annual spillover reports covering the largest European Union (EU) economies, completed the first ever EU-wide Financial Sector Assessment Program, and provided advice on the pace and technical aspects of the euro area's banking union project. In each instance, the IMF has pressed Europe to implement a wide range of reforms to address remaining vulnerabilities and encourage job creation and growth.

Another pertinent example of the IMF's engagement was its provision of technical assistance and independent advice to **Spain** and the European Commission on the government's efforts to recapitalize and restructure its financial sector with support of up to €100 billion from the European Stability Mechanism. While Spain did not request IMF financial support, it did seek the IMF's assistance in monitoring the implementation of financial sector reform commitments, which remain on track.



Strengthening Economic Surveillance and Advice

Integrated Surveillance Decision

Detailed analysis and early warning of vulnerabilities in the global economy help countries such as Canada mitigate risks. More than ever, the global economy is interconnected and developments in one country can create risks that spill over into others. To improve its surveillance of these interconnections, the IMF strengthened its surveillance framework in July 2012 with the adoption of an Integrated Surveillance Decision (ISD). The ISD creates an important link that was previously missing between the IMF's bilateral surveillance of policies at the country level and its multilateral surveillance of global economic trends and risks. In practice, this means that when conducting an Article IV surveillance review of a country, the IMF is now empowered to discuss the entire range of spillovers from a member's domestic policies that may affect global stability, and encourage members to be mindful of the impact of these spillovers on others.

Exchange Rate Surveillance

Exchange rate misalignment can create imbalances and downside risks at a domestic and global level if left unaddressed. IMF members are obligated by the Articles of Agreement to avoid manipulating exchange rates to gain unfair competitive advantage. While imbalances have narrowed somewhat, cyclical factors are playing a large role. Many countries still need to take actions to reduce imbalances, such as addressing persistent exchange rate misalignment. The ISD thus reiterated the IMF's central responsibility for monitoring and ensuring the proper functioning of the exchange rate system, which constitutes an important mechanism for global rebalancing. To better understand and advise its members on global imbalances, the IMF also introduced the *Pilot External Sector Report*, which draws on an analysis of exchange rates, current accounts, reserves, capital flows and public balance sheets to provide a comprehensive overview of the external positions of major world economies. This report adds a much-needed focus and depth to the IMF's assessment of exchange rates and global imbalances.

Financial Sector Surveillance

The financial crisis demonstrated that shocks can propagate rapidly across countries through highly interconnected financial systems. To build on progress in IMF financial sector surveillance and address a key recommendation from the 2011 Triennial Surveillance Review, the IMF formally adopted a strategy for financial surveillance in September 2012. The strategy places emphasis on improving risk identification and policy advice by strengthening the analytical underpinnings of financial surveillance instruments. In addition, to help countries reap the benefits of increased global capital flows while prudently managing risks, the IMF adopted a comprehensive institutional view on capital flows in December 2012. This framework is meant to guide IMF policy advice regarding the liberalization and management of capital flows. The institutional view places an emphasis on appropriate macroeconomic and exchange rate policies, sound financial supervision and strong domestic institutions.



Supporting the Poorest and Most Vulnerable Members

Low-Income Countries

The IMF supports its low-income country members in a number of ways, including through low-interest adjustment lending from the Poverty Reduction and Growth Trust (PRGT). To support its poorest members following the onset of the global economic and financial crisis, a financing drive took place in 2009–10 to substantially increase the PRGT's lending capacity. Canada contributed \$800 million in loan and \$40 million in subsidy resources, among the largest support packages provided. However, the lending capacity of the PRGT was again set to decline below projected need by early 2015. In order to boost the Fund's concessional lending capacity, the IMF Executive Board agreed in September 2012 to transfer to the PRGT windfall profits of over SDR 1.75 billion from a 2009–10 sale of IMF gold. This will put the PRGT on a sustainable footing and ensure that the IMF has the capacity to assist its most vulnerable members in an appropriate and timely fashion going forward.

Small States

More than a fifth of IMF members are countries with populations of under 1.5 million. These small members, including those Caribbean countries represented by Canada at the IMF, often face unique challenges and more frequent economic volatility. They are also among the most susceptible to natural disasters, external shocks and persistent weakness in the global economy. The IMF has played an important role in assisting our constituency members in 2012–13, providing important technical assistance and advice as well as supporting ambitious macroeconomic adjustment programs in Antigua and Barbuda, Jamaica, and Saint Kitts and Nevis. Emergency assistance was also provided to Dominica following a series of natural disasters in late 2011.

Given the unique challenges facing small states, it is clear that the IMF's advice and assistance must be tailored to meet their particular needs. In 2012–13, upon the urging of Canada and the Caribbean members of our constituency, the IMF began to examine ways to enhance its engagement in support of small states, an exercise it had not undertaken since 2000. Key areas where the Fund will look to make advancements include: enhancing analytical work on small state issues; tailoring policy advice and surveillance towards an enhanced focus on growth; strengthening program design to take into account critical reform needs of small states; and strengthening outreach and increasing cooperation with other international institutions. Over time, these efforts should help to better align the IMF's engagement with the needs of its small state members, reduce vulnerabilities and increase resilience in these countries.

Modernizing Governance

2010 Quota and Governance Reforms

The IMF is in the midst of reforms to ensure that its governance structure evolves in line with the changing nature of the global economy, particularly in light of the growing importance of emerging market economies. The landmark 2010 quota and governance reforms are a key pillar in these efforts. In August 2012, Canada completed its ratification of this milestone reform, which has not yet entered into force.



At their June 2012 Summit in Los Cabos, Group of Twenty (G-20) Leaders set a deadline of October 2012 to complete ratification of the 2010 IMF quota and governance reforms. When fully implemented, the reforms will solidify the importance of quotas as the resource base of the institution, enhance the quota shares of dynamic economies, and improve the representation of the IMF's Executive Board. More specifically, aggregate IMF quotas will be doubled from SDR 238 billion to SDR 476 billion (from about \$362 to \$724 billion) and quota shares will be shifted by over 6 per cent in favour of dynamic emerging market and developing countries since 2008. Further, the governance of the Executive Board will be improved by moving to an all-elected Executive Board that encourages constituency formation.

While the ratification process awaits completion, European countries announced in 2012 that they were proceeding with another important element of the reform that increases the representation of emerging market countries at the IMF's 24-member Executive Board. Specifically, advanced European countries reached agreement on a plan to reduce their representation at the Executive Board by nearly two seats, in favour of increased representation of emerging market countries. Notwithstanding the minimal impact on euro area representation at the Executive Board, and that Europe will still hold one-third of the seats, the move means that Turkey, Poland and other members will now have the opportunity to hold Executive Director positions on a rotational basis, thus going some way to increasing the diversity of voices overseeing the day-to-day operations of the IMF.

The 2010 quota and governance reforms have yet to be implemented, as one of three ratification thresholds, which requires members currently holding at least 85 per cent of voting power to ratify the 2010 agreement, has not been met. This threshold will be reached once the United States, the IMF's largest member with a 16.75 per cent voting share, completes its congressional ratification process. The increase in IMF quotas and the realignment of quota shares in favour of dynamic economies cannot proceed until the United States ratifies the reforms.

15th General Review of Quotas

The IMF is now turning to the next round of reforms (a process known as the 15th General Review of Quotas), which is expected to be completed by January 2014. An important part of this exercise is a comprehensive review of the quota formula, which is used to guide the allocation of individual quota shares. Over the past year and a half, the IMF held extensive discussions on the quota formula. Important progress was made in identifying key elements that could form the basis for an agreement on a new formula that is a simpler and more transparent measure of a country's relative economic weight and integration in the global economy. The outcome of this exercise, together with the planned review of the size and distribution of quotas, will ensure that quotas and voice within the institution continue to evolve in line with the changing global landscape, while protecting the quota share of the poorest and most vulnerable members.



Reporting on Canada's Objectives at the IMF in 2012–13

Assessment of Progress Made on Canada's Objectives in 2012–13

The IMF has a critical role to play in safeguarding global economic stability and supporting its members in their efforts to promote growth and prosperity. As a large shareholder with a chair at the Executive Board, Canada has an interest and responsibility to ensure the IMF is pursuing its mandate in an effective and accountable manner. In last year's report, the Government of Canada identified three objectives for 2012 which focus on core issues of importance to Canada. Further, the Government identified actions which the Minister of Finance, the Canadian Executive Director and Canadian officials were to engage in to further these objectives (see Annex 1 for more details on Canada's engagement).

Since January 2012, Canada has actively pursued these three objectives in a number of venues, most importantly through interventions and positions taken by the Minister of Finance and senior Canadian officials at the annual and spring meetings of the IMF and in the G-20; through the Minister of Finance's written statements to the International Monetary and Financial Committee (the Ministerial advisory body of the IMF); and through the Canadian Executive Director's interventions and votes at the IMF Executive Board. A detailed discussion of these objectives and the actions taken by Canada are highlighted below.

2012 Objective #1: Ensure the IMF has the appropriate tools and governance structure to promote global economic and financial stability.

- Promote the importance of IMF quotas as the resource base of the institution.
- Actively engage in assessments of IMF resources and promote safeguarding of resources against excessive financial risks.
- Encourage continued enhancements to internal governance and Ministerial oversight, thereby increasing the effectiveness and accountability of the Executive Board.

Canada's first objective was to ensure the Fund continues to have the appropriate tools and governance structure to promote global economic and financial stability. In order for the IMF to promote stability, the international community must have confidence that the Fund has adequate resources to undertake its core responsibilities, and its governance must be broadly seen by the international community as legitimate. Canada's actions over the year in this area were primarily focused on: (1) assessing the IMF's resource needs, taking into account its engagement in the euro area and the capacity of the region to address crises, and (2) completing ratification of the milestone 2010 quota and governance reforms and pursuing further improvements to the governance of the institution.



IMF Resources

Historically, Canada has been a key voluntary contributor to the IMF when credible needs have arisen. Most recently, in 2009 at the height of the global financial crisis, G-20 Leaders committed at their London Summit to triple the resources of the IMF to US\$750 billion. Canada's contribution included being among the first countries to finalize its US\$10-billion temporary bilateral loan agreement to the IMF. Canada also agreed to significantly increase its commitments to the New Arrangements to Borrow (NAB) from approximately \$2 billion to \$11.5 billion.³ At the same time, to bolster the Fund's capacity to assist its poorest and most vulnerable members, Canada provided \$800 million in loan resources and \$40 million in subsidy resources to the Poverty Reduction and Growth Trust. In 2010, Canada also committed to a near-doubling of its quota from \$9.7 billion to \$16.8 billion in order to increase the quota base of the institution. These actions were based on a clear assessment by Canada of a credible IMF resource need. They proved critical in assisting the Fund in its transition from a period of very little lending to an institution at the front line of the global crisis response, as shown by the size of lending programs approved from 2004–2013 (see Chart 1).

Amidst heightened uncertainty in the euro area and concerns about spillovers to the global economy, G-20 Leaders committed at their Cannes Summit in 2011 to examine the adequacy of IMF resources. It was Canada's position that the IMF had substantial uncommitted resources to address potential financing needs of its non-euro-area members, and that IMF resources should not be increased to further lend to Europe. As one of the wealthiest parts of the world, Canada viewed the euro area as having the capacity and responsibility to mobilize sufficient resources, and believed that it needed to commit them to building an effective resource "firewall" in order to support countries in its own currency union. In line with the Cannes Summit commitment, Canada actively engaged in examining the adequacy of IMF resources by analyzing the potential financing needs of Europe and the rest of the IMF membership under adverse scenarios. It was Canada's position that the Fund needed to credibly demonstrate potential financing needs of the rest of the membership, supported by robust analysis, in order to justify any requests for additional resources.

The Euro Area "Firewall"

Euro area governments' two main facilities for lending to countries needing financial assistance are the European Financial Stability Facility (EFSF) and the European Stability Mechanism (ESM). In March 2012, euro area Finance Ministers announced that the cap on cumulative lending to euro area member countries under the two facilities would be increased to €700 billion.

Separate from the EFSF/ESM, the euro-area member countries have mobilized resources for each other in additional ways including bilateral loans to Greece, and loans to Portugal and Ireland via the European Union's European Financial Stabilisation Mechanism. The European Central Bank (ECB) has also supported member countries' government bond markets through the ECB's Long-Term Repo Operation. In 2012, the ECB also announced the Outright Monetary Transactions bond buying plan, which has yet to be used.

EU Leaders have also committed to deepening integration through a banking union, and to weakening the negative feedback loop between banks and sovereigns by allowing direct recapitalization of banks through the ESM.

³ Canada's NAB contribution, which is calculated in SDRs, rose from SDR 1.3 billion to SDR 7.6 billion under the enlarged NAB. The amounts shown in Canadian dollars are calculated at the exchange rate prevailing on April 30, 2013.



According to the IMF's analysis of its resources, the euro area would account for the majority of any potential financing needs under a severe deterioration of global economic conditions. With a historically high US\$845 billion in total resources, and US\$400 billion⁴ at its immediate disposal for lending, Canada assessed the IMF as having adequate resources to address potential needs of its membership outside of the euro area, and was of the view that the IMF did not need to provide additional resources for Europe, which has sufficient resources to assist euro area members.

Ultimately, a number of IMF members pledged to temporarily increase the resources of the IMF to potentially assist the euro area through time-bound bilateral loans. Canada did not participate in this exercise. In total, US\$461 billion was pledged over 2012, with European countries accounting for over half (US\$240 billion).⁵ As of April 30, 2013, these bilateral loans have not been needed and remain undrawn. The resources available to the IMF for adjustment lending remain at a historical high of US\$400 billion.

2010 Quota and Governance Reforms

The legitimacy and effectiveness of the IMF rely in large part on the strength of its governance arrangements. The IMF must therefore ensure that its governance structure is aligned with global economic realities. The 2010 IMF quota and governance reforms are a critical achievement. Once ratified, they will result in a shift of quota shares, a broad measure of a member's voice and responsibilities within the institution, by over 6 per cent in favour of dynamic emerging market and developing countries since 2008.

In August 2012, Canada completed its ratification of this milestone reform, which required: (1) consulting Parliament on a treaty change to the IMF's Articles of Agreement that improves the governance of the IMF's Executive Board; and (2) amending the Bretton Woods and Related Agreements Act to increase Canada's quota contribution from SDR 6.4 billion to SDR 11 billion (from about \$9.7 billion to \$16.8 billion),⁶ and to reflect the changes to the IMF's Articles of Agreement, which are annexed to the Act. By ratifying these reforms ahead of the deadline, Canada has delivered on its international commitment. This is a significant step towards achieving the objective of ensuring the IMF has the appropriate tools and governance structure.

As part of the governance reforms, some progress has been made to reduce the representation of advanced European countries, by shifting nearly 2 advanced European seats to emerging markets on the 24-member Executive Board. While a step in the right direction, Canada's view is that Europe is still over-represented. For instance, the representation of the euro area remains largely unchanged as some seats have shifted from advanced EU to emerging EU countries. Future governance reforms will need to consider, again, this issue of European representation at the Executive Board, to ensure that representation is in line with the changing nature of the global economy, particularly in light of the growing importance of emerging market economies.

⁴ This figure reflects the IMF's Forward Commitment Capacity (FCC), an official measure of the IMF's resources that are immediately available for lending. More information on the FCC is available in the background section of this report.

⁵ As of April 30, 2013, temporary bilateral agreements totalling US\$394 billion were signed. None of these bilateral loan resources have been utilized to date, and the number of arrangements approved in FY2013 is the lowest in five years as lending continues to decline since the height of the global financial crisis.

⁶ To take account of the doubling of IMF quotas, the New Arrangements to Borrow (NAB), the IMF's permanent financing backstop of credit lines extended by major shareholders, will be reduced in size. As a participant in the NAB, this rollback will have the effect of roughly offsetting Canada's increased quota subscription.



Going Forward

Canada will continue to pursue its objective of ensuring that the IMF has the appropriate tools and governance structure to promote global economic and financial stability. This objective will be particularly important as the IMF membership turns towards completing the next round of quota reforms, the 15th General Review of Quotas. Beyond the 2010 quota and governance reforms, Canada continues to believe that more can be done to further improve governance.

2012 Objective #2: Increase the traction of IMF surveillance and policy advice to bolster crisis prevention.

- Promote enhanced analysis of exchange rates and cross-border spillovers in IMF surveillance.
- Advocate for IMF advice that is impartial, candid and transparent, including when the Fund is engaged in a regional partnership, to promote confidence in its surveillance activities.
- Leverage the IMF's surveillance role in supporting the G-20 Framework for Strong, Sustainable and Balanced Growth to ensure members fulfill their commitments to implement sound policy frameworks.

Canada's second objective for 2012 was to increase the traction of IMF surveillance and policy advice to bolster crisis prevention. Over the course of 2012–13, Canadian efforts were focused on: (1) encouraging effective exchange rate surveillance; (2) pressing for candid and even-handed advice to member countries; and (3) underscoring to countries the importance of implementing policy commitments that will benefit the global recovery and support efforts to deliver strong, sustainable and balanced growth.

Effective Exchange Rate Surveillance

Excessive and prolonged global imbalances can contribute to the build-up of systemic risks. Over the course of 2012–13, Canada encouraged the IMF to remain focused on exchange rate surveillance by ensuring its inclusion as a central feature of the new Integrated Surveillance Decision. Canada also promoted the importance of the *Pilot External Sector Report*, which adds focus and depth to external imbalances and exchange rate surveillance. Canada encouraged the IMF to prioritize this area of work while also continuing to refine the methodology surrounding external balance assessments in order to improve traction of the advice contained therein and encourage global demand rebalancing.

Candid and Even-Handed Advice for Member Countries

Canada's seat at the IMF Executive Board provides the chief vehicle through which we can promote economic surveillance and advice that is independent, candid and even-handed. Over the last year and a half, and building on actions taken in response to the 2011 Triennial Surveillance Review, the IMF made strong progress in delivering quality economic surveillance across the spectrum of multilateral, regional and bilateral surveillance. In line with Canadian objectives and advocacy, the Fund has continued to improve the internal consistency and candour of its flagship surveillance products (*World Economic Outlook*, *Global Financial Stability Report* and *Fiscal Monitor*) and Spillover Reports. It has shown a willingness to tackle important but controversial issues with candour including the impact of fiscal consolidation on growth, the appropriate pace of fiscal consolidation, unfinished elements of the financial sector reform agenda, and the shape of an optimum banking union in Europe. This same candour and even-handedness was also evident in its regional surveillance and advice on the common policies in currency unions in Europe, the Eastern Caribbean and West Africa as well as in much of its country-level bilateral surveillance.



Overall, while the Fund had made progress delivering independent, candid and even-handed advice in its surveillance activities, for better traction the onus is on countries receiving this advice to take it on board.

However, the Fund can do more to increase the consistency of this candour. For example, despite consistently advising EU countries to repair bank balance sheets and ensure asset quality, the EU-wide Financial Sector Assessment Program did not focus enough on these long-standing issues. Further, the IMF has faced credibility and independence challenges with the delivery of its program design and monitoring when engaged in regional partnerships. This issue is further explored in Objective #3 below.

G-20 Framework for Strong, Sustainable and Balanced Growth

The G-20 Framework process has identified policy actions that each member should undertake to strengthen the foundations for growth and boost job creation. As co-chair of the Framework working group, Canada continued to draw on IMF technical assistance in assessing members' progress on their commitments as well as the impact of G-20 members' policies on the global economy. The IMF also assisted the Framework working group in monitoring and assessing G-20 countries with persistently large internal or external imbalances that would warrant corrective actions. Canada is appreciative of the IMF's strong, independent analysis, which played an important role in the development of the G-20 Los Cabos Growth and Jobs Action Plan in 2012.

Going Forward

The traction of surveillance and policy advice has improved, but more can be done. In 2013–14, an important goal will be for countries to continue implementing policy actions designed to strengthen the economic recovery and support strong, sustainable and balanced growth. The IMF will play a key role in this respect, and Canada will continue to press the Fund to continue the ongoing process of ensuring the highest quality and candour of its analysis and advice.

2012 Objective #3: Promote effective IMF lending programs and conditionality to address the root causes of instability.

- Encourage programs that are robust, have credible conditionality and address core balance of payments difficulties facing program countries.
- Ensure high standards for accessing new precautionary lending instruments are rigorously upheld, fostering sound and sustainable economic policies.
- Engage in a review of the Poverty Reduction and Growth Trust facilities to ensure they meet the needs of low-income countries.

Canada's third objective was to promote effective IMF lending programs and conditionality to address the root causes of instability. Over the course of the reporting period, Canada: (1) rigorously promoted the independence and effectiveness of IMF lending programs; (2) advocated for a review of precautionary programs and clearer guidelines for renewals; (3) pressed for more regular reviews of experience with crisis programs and post-mortem reporting; and (4) contributed to the Fund's planned review of its concessional lending facilities.



Independent and Effective Lending Programs

The IMF plays an important role in assisting members throughout the world to adjust to shocks or deep-seated economic imbalances. The implementation of carefully designed economic adjustment programs with conditionality is what makes IMF support distinct from other forms of financing. To address the root causes of instability and to help a member country on the right recovery path, IMF lending programs and conditionality must be appropriately and independently designed. Credible program design and conditionality are important factors in managing program risks and rebuilding confidence in financing markets. In all three International Monetary and Financial Committee statements over the reporting period, IMF independence and its role in ensuring robust and credible programs has been a central theme, guiding Canadian officials' work on these issues at the Fund. Over the course of 2012–13, Canada was heavily engaged at the IMF Executive Board in (1) calling for reviews of existing programs to involve a candid, independent assessment of implementation risks and possible additional measures needed to keep the program on track; (2) urging that new programs include conditionality appropriately calibrated to address core economic difficulties, with prior actions playing a larger role in programs with heavy frontloading of financing; and (3) urging that debt sustainability analyses in existing and potential programs be strengthened in order to avoid lending into situations of unsustainable debt.

Developments in 2012–13 underscored Canada's message that the IMF needs to do more to assert its independence in program design and monitoring when engaged with regional partnerships. In particular, Canada has consistently raised concerns regarding the IMF's engagement with the euro area, where the European Commission, European Central Bank and IMF have partnered to form the "Troika" to coordinate its adjustment programs. At times, involvement in the Troika has tested the independence of the Fund, as European partners sought to shape program design, conditions and targets. In Canada's view, this arrangement magnifies the influence of Europe at the IMF and is not optimal, as it challenges the independence and credibility of the Fund. Canada will continue to press for the phase-out of the Troika system.

Initial work in reviewing the IMF's crisis programs has confirmed Canada's views that the Troika model has limited the IMF's ability to provide independent program and policy advice in the euro area. These shortcomings were further brought to the forefront in a recent *ex post* assessment of experience with the first Troika program in Greece, where the IMF staff acknowledged weaknesses in responding to debt sustainability concerns in a timely way. Upcoming *ex post* reviews for the Irish and Portuguese programs should be as candid in order to identify areas to further improve the independence and effectiveness of program design.

Canadian advocacy for renewed emphasis on increased IMF independence goes beyond the Fund's engagement in the euro area. The growing importance within the international monetary system of various regional financing arrangements (RFAs) throughout the world has become an emerging trend that has also caught the attention of the G-20. While cooperation between the IMF and RFAs can help with crisis prevention and resolution, it can also expose the Fund to risk. While Canada will continue to support IMF and G-20 efforts to promote better IMF-RFA dialogue and transparency, safeguarding the Fund's institutional independence and mandate in dealings with RFAs (whether in the euro area or elsewhere) will remain our priority.



Reviewing Precautionary Programs

Over the course of 2012–13, Canada engaged actively in a review of all five precautionary programs to ensure the high standards for these credit instruments were upheld and that a discussion of exit strategies took place. This included three Flexible Credit Line (FCL) reviews, for Colombia, Mexico and Poland, and two Precautionary and Liquidity Line (PLL) reviews, for Macedonia and Morocco. With the exception of Macedonia, whose PLL expired, each country was found to have strong economic fundamentals and met the qualification standards to continue their precautionary arrangements.

However, based on Canada's experiences reviewing requests for FCL renewal over the past years, it is clear the precautionary instruments themselves require adjustments. As currently structured, there are no incentives to exit FCL arrangements, such as progressive pricing or term limits following initial access. Incentives to exit are important as FCL programs are typically large, and therefore have a big impact on the IMF's balance sheet and reduce the amount of funding available for countries with immediate financing needs. Colombia, Mexico and Poland's FCLs have been in place since 2009 and were recently renewed until late 2014 to mid 2015—a full six years from their initial agreements. As shown in Annex 3, at the end of FY2013, precautionary programs accounted for 51 per cent (SDR 77 billion) of all GRA⁷ resources committed (SDR 151 billion), but accounted for 0 per cent of the SDR 42 billion in GRA resources drawn.

Canada's focus over the year was to encourage the IMF to undertake a thorough review of the design of its precautionary programs, now scheduled for December 2013, and to suggest options that the IMF staff should consider as part of the review. At the upcoming review, Canada will press for changes that: (1) introduce a more progressive pricing structure for the instruments; (2) implement more prescribed and shorter term limits for precautionary arrangements; and (3) ensure exit is viewed as a positive signal from the Fund.

Crisis Program Review and Post-Mortem Program Monitoring

In line with its mandate, the IMF ramped up its adjustment lending as stresses emerged across the membership. Only through self-reviews and assessments can the Fund learn from experience and improve its ability to tackle future crises through effective, well-designed programs. Despite all the experience the IMF has with crisis programs, there has been no recent review of these programs. The IMF's progress to date with crisis programs has been mixed. Some success has been achieved with respect to phased fiscal consolidation in crisis countries, and external adjustment also appears to be proceeding on track. However, the Fund has faced a number of challenges with respect to program design, including those that stem from overly optimistic growth and debt projections, and difficulties implementing internal devaluation in countries in a currency union or with fixed exchange rates. The Fund has also struggled to clearly and even-handedly consider conditionality at the regional level when dealing with countries that are members of a currency union. In addition, as discussed above, the Fund faced resistance imposing certain program design elements from its European Troika partners.

⁷ GRA refers to the General Resources Account of the IMF. It is the principal account of the IMF, consisting of a pool of currencies and reserve assets representing the paid subscriptions of member countries' quotas. The GRA is the account from which the regular lending operations of the IMF are financed.



Taking stock of successes and failures in crisis programs is important if the IMF is to improve the effectiveness of its lending. It is also critical to maintain credibility and even-handedness, protect its balance sheet, provide markets with confidence in its underlying projections and assumptions, and most importantly address the core economic difficulties facing the country in question. For these reasons, Canada has been pressing hard for the IMF to undertake a thorough and objective Crisis Program Review. This process is now underway.

Review of Concessional Lending Facilities

Over the reporting period, Canada actively participated in successful efforts to review the Fund's facilities and instruments for low-income countries (LICs). The aim of the exercise was to improve the tailoring and flexibility of assistance, while also ensuring the sustainability of the Poverty Reduction and Growth Trust (PRGT) following the Executive Board's decision to transfer SDR 1.75 billion in IMF windfall gold sales profits to the PRGT. During the process, Canada remained a strong proponent of the IMF's important role in providing concessional assistance to its poorest and most vulnerable members, when adjustment needs arise. Canada also made a strong effort to ensure recognition of the specific needs of small states, many of which face economic risks and vulnerabilities similar to those confronting LICs. Canada will continue to advocate for strong and effective engagement by the Fund in support of its poorest and most vulnerable members.

Going Forward

The IMF has reaffirmed its relevance since the financial crisis: its resources have been increased, the lending toolkit has been revised, new practices for cooperation with regional bodies have emerged, and adjustment program design has evolved. Some developments have enhanced effectiveness, while others have challenged the credibility and independence of the institution. Going forward, Canada will insist that the IMF continue to self-review and learn from its crisis experiences in order to ensure that current and future programs are independently designed, monitored and implemented in order to effectively achieve their aims. In the near term, Canada will suggest options that staff should consider to improve precautionary programs during the upcoming review scheduled for December 2013.

Canada's Objectives at the IMF in 2013–14

Taking stock of global economic conditions and the role of the IMF in supporting its membership, Canada's three current core objectives remain the most relevant and important goals for 2013–14. Though our overarching objectives remain the same, the actions supporting the pursuit of these goals have evolved to account for developments in these areas over the last year and the forward work plan of the IMF.

To meet the first objective of ensuring the IMF continues to have the appropriate tools and governance structure to promote global economic and financial stability, Canada will focus on achieving a simple, transparent outcome to the 15th General Review of Quotas that further shifts the distribution of quotas and voice within the institution in line with the changing global economic landscape. As part of this process, we will focus on rigorously evaluating IMF medium-term resource needs, which is a regular feature of general quota reviews.



To meet the second objective of bolstering the economic recovery by encouraging high-quality and relevant IMF surveillance and advice, Canada will focus on better tailoring Fund surveillance and advice, particularly to small, vulnerable middle-income countries. Identifying emerging trends and common warning signs before countries reach the stage where they need adjustment programs also remains key. To gain traction, the IMF's advice must remain impartial, candid and even-handed, with an onus on members to take on board Fund advice or explain why they have chosen an alternative policy path.

To meet the third objective of promoting effective lending programs and conditionality to address the root causes of instability, Canada will focus on pressing the IMF to continue the self-assessment process it has begun through a detailed and candid review of its lending and program design in crisis situations. This is critical in order for the IMF to further improve its effectiveness and reassert its independence. Precautionary instruments must also be reviewed and adjusted, and a more robust focus on debt sustainability is required going forward.

Canada's Objectives at the IMF in 2013–14

1. Ensure the IMF has the appropriate tools and governance structure to promote global economic and financial stability.

- Actively engage in the 15th General Review of Quotas to ensure that voice and representation are more closely aligned with relative weights and integration in the global economy.
- Ensure the IMF provides full information and evidence-based scenario analysis when presenting an assessment of its medium-term resource needs.

2. Increase the traction of IMF surveillance and policy advice to bolster the economic recovery.

- Continue to advocate for IMF advice that is independent, candid and even-handed to promote confidence in its surveillance and advisory activities.
- Encourage the IMF to further tailor its surveillance and advice to meet the needs of its smallest and most vulnerable members.
- Promote robust analysis of exchange rates and press for clear and consistent application of the new institutional view on capital flows in IMF surveillance and advice.

3. Promote effective IMF lending programs and conditionality to address the root causes of instability.

- Encourage a detailed and objective review of lending and program design, particularly the Fund's engagement with regional financing arrangements, to learn from recent crisis experiences and further improve the effectiveness of adjustment programs.
- Actively engage in the planned review of precautionary lending instruments and focus on measures to encourage successful exit.
- Advocate for a continued focus on improving debt sustainability analyses and draw lessons for IMF policy from recent experiences with sovereign debt restructuring.



The World Bank Group

Key Developments at the World Bank Group in 2012–13

New President, New Vision for the World Bank Group

On July 1, 2012, Dr. Jim Yong Kim became the 12th President of the World Bank Group. Dr. Kim's focus for his first year at the World Bank Group has been the development of a "Common Vision" to bring efficiency and focus to the operations of the World Bank Group. In Spring 2013, the Development Committee of the Boards of Governors of the World Bank Group and the IMF endorsed two overarching goals to guide the direction of the World Bank Group through the next phase of the global economic recovery and beyond:

- Eradicating extreme poverty within a generation, by reducing the percentage of people living with less than US\$1.25 a day to no more than 3 per cent by 2030; and
- Promoting shared prosperity, by ensuring that economic growth and job creation is experienced by those in the bottom 40 per cent of the population in every country.

World Bank Group Lending and Total Exposures in 2012–13

In its 2013 fiscal year, to promote poverty reduction and economic growth in its client countries, the World Bank Group approved 914 financing arrangements representing a total volume of US\$59.2 billion. This represents a slight increase in volume relative to the World Bank Group's previous fiscal year (US\$58.3 billion in new commitments in FY2012). The small increase in World Bank Group commitments was largely driven by the International Finance Corporation's (IFC) growing portfolio, while the International Bank for Reconstruction and Development's (IBRD) commitments dropped from US\$20.6 billion in FY2012 to US\$15.2 billion in FY2013. The decrease in IBRD lending reflects the normalizing of World Bank activities following the unprecedented increase in resources provided immediately after the financial crisis.

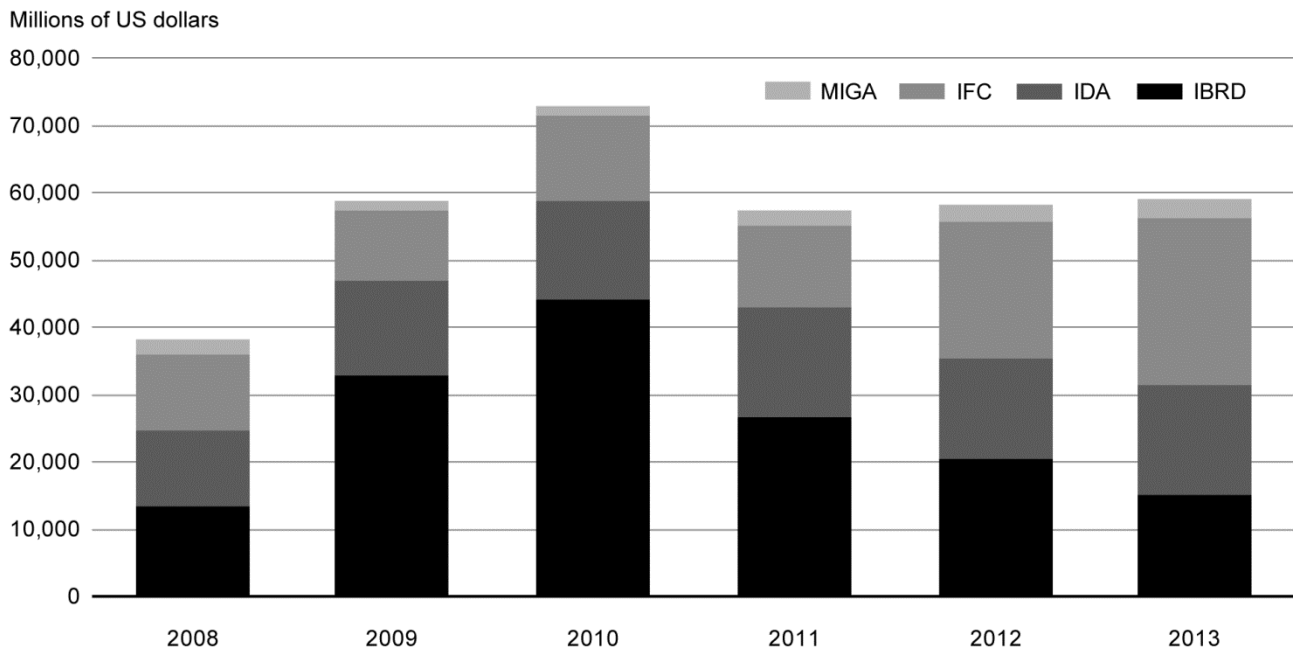
As of June 30, 2013, the International Development Association (IDA), the World Bank Group's concessional window, is two-thirds into its 16th replenishment period and has committed approximately 59 per cent of the total IDA16 lending envelope of US\$51 billion. In FY2013, IDA made new commitments amounting to US\$16.3 billion, including approximately US\$14 billion in interest-free loans and US\$2 billion in grants.

The regional concentration of IBRD is significantly different from IDA, reflecting the diversity of clients served by the World Bank Group. In the case of IBRD, Latin American and the Caribbean received the largest portion of funding (US\$4.8 billion), closely followed by Europe and Central Asia (US\$4.6 billion) in FY2013. Of note, Brazil, Indonesia, China and Poland (the four largest borrowers) together received about 50 per cent of IBRD new funding in FY2013. In the case of IDA, the largest share of funding went to Africa (US\$8.2 billion), followed by South Asia (US\$4.1 billion).

IFC provided US\$24.9 billion in new commitments in FY2013, working with the private sector to encourage sustainable economic growth in developing countries. The Multilateral Investment Guarantee Agency (MIGA) issued US\$2.8 billion in risk guarantees, a small increase from US\$2.7 billion in FY2012.



Chart 3:
World Bank Group Commitments Approved in FY2008–2013



For more information on the World Bank Group’s operations refer to Annex 4.

Pursuing Reforms and Modernization

Over the course of the reporting period, in addition to the development of a “Common Vision,” the World Bank Group pursued a series of reforms and strategies to modernize and enhance the effectiveness of the institution. These included:

- Launching a two-year process to review the World Bank’s environmental and social safeguard policies.
- Undertaking a review of the World Bank’s current approach to procurement under Bank-financed operations, the first such review since the World Bank’s founding.
- Integrating World Bank Group country strategies to better address the drivers of conflict and fragility and build on the synergies among IDA, IFC and MIGA.
- Finalizing a new Energy Sector Directions Paper that sets a principles-based course for the World Bank Group’s work in the energy sector with a focus on expanding energy access and sustainable energy.
- Releasing a new Information and Communications Technologies (ICT) sector strategy intended to help developing countries use ICT to transform the delivery of basic services, drive innovations and productivity gains, and improve competitiveness.
- Launching the Gender Data Portal, an interactive platform that draws on data from a variety of sources, including the World Development Indicators (the Bank’s primary collection of development indicators), national statistics agencies and United Nations databases, and ensuring that all of the World Bank Group’s new country strategies are gender informed.



- Advancing a series of trust fund reforms to improve their strategic alignment and selectivity, recovery of costs and efficiency, integration in business processes and oversight by senior management and the Board.
- Increasing the number of publicly available documents to 134,000, a 12.4 per cent increase over the previous fiscal year.

World Bank Group Key Development Results

Since 2011, the World Bank has been releasing an annual *Results* report showing the development results that countries have achieved with World Bank support. In 2012, the document highlighted results across many investment areas such as institutions and governance, human development and gender, infrastructure, agriculture and food security, climate change and the environment, and finance, private sector development and trade. The report also noted progress made on gender mainstreaming, sharing knowledge and data with clients and on the use of country systems. Examples of Bank-supported development results include the following:

- Between 2010–12, the Bank's support served to strengthen public sector management systems in 64 countries, including civil service and public administration systems, public financial management systems, tax policy and administration systems, and procurement systems. In 2012 the Bank supported 85 countries in the area of asset, liability and risk management.
- Over the decade 2002–11, nearly 66 million people received basic packages of health, nutrition or reproductive health services. Bank support for social protection benefited about 267 million people in 83 countries during 2005–11.
- Since 2002, Bank projects have helped to provide 145 million people with improved access to water and helped finance the construction and rehabilitation of about 190,000 kilometres of roads.
- In agriculture, the Bank-managed \$1.5-billion Global Food Crisis Response Program reached an estimated 40 million people in 47 countries.

More details on results achieved in the last decade can be found on the World Bank's Results web page (<http://www.worldbank.org/results>).

Canada's Engagement With the World Bank Group

Canada is among the top 10 shareholders at the World Bank Group, having contributed a total of US\$7.2 billion in capital subscriptions to IBRD, IFC and MIGA and US\$10.2 billion in contributions to IDA. In March 2013, Canada completed its share subscription commitments made as part of the concerted global extraordinary response to the global economic crisis, including increased World Bank Group support to borrower countries.

Delivering Results Through the World Bank Group

Canada works with the World Bank Group, through core operations and trust funds, to achieve results in all of the Government's development priority areas including increasing food security; securing the future of children and youth (particularly in health and education); stimulating sustainable economic growth; advancing democracy and ensuring security and stability. These priority areas are supported by the cross-cutting themes of increasing environmental sustainability; promoting equality between women and men; and helping to strengthen governance institutions and practices.



At an institutional level, the World Bank Group is moving towards several reforms that will better support Canada's cross-cutting themes and alignment with the Official Development Assistance Accountability Act, such as the comprehensive review of the World Bank's environmental and social safeguard policies. In FY2012 and FY2013, Canada participated actively in the consultation process with the World Bank on the review of safeguard policies, both in Washington and by hosting civil society, private sector and public sector consultations with the World Bank in Canada. Additionally, reforms undertaken by the Bank over the reporting period serve to further enhance its accountability and transparency, two primary focus areas for the Canadian government in its investments.

Over the past two years, the World Bank Group has continued to play a leadership role in innovative finance for development. In January 2012, the World Bank launched the Program-for-Results lending instrument. This instrument links loan disbursements to the achievement of agreed outcomes in a country program. As of June 30, 2013, the Bank has approved seven initiatives (as of June 30, 2013) including in three of Canada's countries of focus for international development: Ethiopia, Tanzania and Vietnam.

Canada has been working with the World Bank Group to establish additional innovative financing instruments for development programming. At the G-20 Summit in Los Cabos in June 2012, Canada and the World Bank Group launched the AgResults initiative, which harnesses private sector resources for agricultural innovation in low-income countries through pilot projects using results-based financing mechanisms. Canada's contribution to AgResults, along with other donor contributions totalling \$100 million, will serve to develop and fund pilots intended to incentivize the adoption and development of technologies with significant societal benefits, but where market failures have undermined this potential. Also, in January 2013, Canada provided \$75 million to IFC's Climate Catalyst Fund. The Fund will invest in developing countries on a commercial basis, with a focus on sectors where there are opportunities to promote the efficient use of risk capital as a way to mitigate and adapt to climate change.



Canada Delivering Development Results Through the World Bank Group

Some examples of development results achieved through World Bank Group programs supported by Canadian investments include:

- Canada's support to the Education Quality Improvement Program (EQUIP) within the Afghanistan Reconstruction Trust Fund is helping Afghanistan roll out its national education program in all 34 provinces in the country, increasing equitable access to quality basic education, especially for girls. Through EQUIP, Canada is supporting the Afghan Ministry of Education to ensure quality access to education for approximately 7.7 million children, 3 million of whom are girls. In 2001, there were less than 1 million children in formal schools and all of them were boys. Other key achievements of this project include: over 100,000 teachers trained with a focus on pedagogy and more than 86,000 teachers trained with a focus on subject matter curriculum; and 7,060 school managers and principals trained.
- Canada's support to the Vietnam Agriculture Sector Competitiveness project is helping smallholder farmers in Central Vietnam increase their competitiveness by improving agriculture productivity and marketability and increasing their capacity for networking and innovation. Key achievements of this project include an increase in the level of agri-food productivity by 19 per cent in 2011, and the establishment of partnerships between farmers' organizations and private agri-business enterprises to promote markets.
- Canada's funding to the Multi-Donor Trust Funds for Sudan and South Sudan between 2006 and 2013 were instrumental to the successful implementation of the Comprehensive Peace Agreement and helped Sudan and South Sudan's transition as two distinct countries. Key results from the Fund include a new national currency implemented in 2007, a national population census in 2008, the construction and demining of a number of key trade route roads, and the strengthening of local governance, health, education and water sectors through training and construction of infrastructures in both Sudan and South Sudan.
- Canada's support to the Nile Basin Trade and Agriculture Production project and the Nile Basin Initiative Institutional Strengthening project is helping the countries of the Nile Basin achieve sustainable socio-economic development through the equitable use of common Nile River Basin water resources. Key achievements of this project include: improved irrigation plans and databases in seven countries; development of 10 training manuals with best practices being utilized in the participating countries; and increased cooperation among the countries of the Nile Basin that led to the project identification and preparation, and regional mobilization of US\$1 billion of investment projects now being implemented.

Enhancing Private Sector Activities in the Most Vulnerable Countries

The World Bank Group plays a significant role in delivering programming in fragile and conflict-affected states (FCS). Notably, the Bank is the key partner for delivering Canada's bilateral assistance to these states, including Afghanistan, South Sudan, and West Bank and Gaza.

Over the course of FY2012 and FY2013, the World Bank Group strengthened private sector activities to better target results to the most vulnerable populations, particularly those in IDA countries and FCSs. This focus has been taken up across the World Bank Group through its broad range of products, including grants, lending, investments and technical assistance. Notably, IFC and MIGA, the two arms of the World Bank Group that work most closely with the private sector, have stepped up their presence in these areas. This includes:

- IFC investments in IDA countries totalled US\$6.6 billion in FY2013. About two-thirds of IFC's FY2013 advisory program expenditures, and nearly half of its projects, were in IDA countries. Further, IFC contributed US\$340 million to IDA's general fund from its net income. IFC's investments in FCSs totalled nearly US\$600 million.



- MIGA issued over US\$2 billion in guarantees in IDA countries in FY2013, representing 74 per cent of MIGA's total volume in FY2013. Guarantees issued in FCSs totalled over US\$470 million.

The World Bank Group is also building on the synergies between IDA, IBRD, IFC and MIGA to develop a comprehensive approach to promoting jobs and improving livelihoods in fragile and conflict-affected regions. In recognition of the transformational potential of jobs, the World Bank Group focused its 2013 *World Development Report* on this critical issue. The report found that poverty falls as people work their way out of hardship and as jobs empower women to invest more in their children. Productive growth happens as workers improve their skills, as new high-productivity jobs are created, and as less productive ones disappear. The report also highlighted the central role of jobs in fostering social cohesion and reducing conflict.

The focus on private sector growth in IDA countries, and FCSs in particular, is expected to be maintained as a central theme going forward.

Working Toward the 17th International Development Association Replenishment

Given that IDA provides interest-free loans and grants to the poorest countries in the world to support development activities, donors are asked to replenish its capital base every three years. Canada is IDA's sixth largest contributor and has provided \$883 million since January 2012.

In preparation for the 17th replenishment of IDA, Canada participated in the IDA16 donor review in Fall 2012. Key results of the review are summarized under Objective #3 in the "Canada's Objectives at the World Bank Group" section. As of July 1, 2013, negotiations for the 17th replenishment cycle remain underway. The first Replenishment Meeting took place in March 2013. IDA Deputies and IDA Borrower Representatives discussed IDA's challenges and strategic directions, as well as the proposed special themes for IDA17: fragile states, gender, climate change, inclusive growth and regional transformative initiatives. Next year's Report to Parliament will note the results of the replenishment exercise.



Reporting on Canada's Objectives at the World Bank Group in 2012–13

Assessment of Progress Made on Canada's Objectives in 2012–13

As a large shareholder with a seat at the Executive Board, Canada has an interest and responsibility to ensure that the Bank is pursuing its mandate in an effective and accountable manner. In the 2011 Report to Parliament, the Government of Canada identified three objectives for 2012 which focused on core issues of importance to Canada. The Government identified actions for the Minister of Finance, the Canadian Executive Director and Canadian officials to further these objectives.

Over the course of the reporting period, Canada has actively pursued these three objectives in a number of venues, most importantly through interventions and positions taken by the Minister of Finance and senior Canadian officials at the annual and Spring meetings of the World Bank Group; through the Minister of Finance's written statements and the Minister of International Development's intervention in the Development Committee (the Ministerial advisory body of the World Bank); through Canada's participation in IDA replenishment negotiations; and through the Canadian Executive Director's interventions and votes at the World Bank Executive Board.

In 2013 at the Development Committee, Canada fully endorsed the two goals that will underpin the new strategy for the World Bank Group as they closely align with Canadian international development priorities. Canada also underscored the importance of key priorities in achieving these goals, including strengthening partnerships with the private sector in development, demonstrating clear results for development activities, and ensuring a successful conclusion to the 17th replenishment of IDA to provide needed support to the world's poorest countries.

A detailed discussion of Canada's objectives and actions taken in 2012–13 are highlighted below.

2012 Objective #1: Promote appropriate financial instruments, policies and partnerships that strengthen program delivery within the World Bank Group.

- Harness private sector resources for agricultural innovation in low-income countries through pilot projects using results-based financing mechanisms such as advance market commitments.
- Improve development outcomes through the use of innovative financial mechanisms.
- Monitor the implementation of the new Program-for-Results lending instrument and assess any lessons learned for Canada's international assistance program.
- Enhance engagement in fragile and conflict-affected regions, including by operationalizing the 2011 *World Development Report* on conflict, security and development.
- Collaborate with partner international financial institutions and work in international fora to improve food security, infrastructure and international environmental governance, including in the Caribbean and Middle East and North Africa regions.

Canada's actions over the year in this area were focused on: (1) leading the establishment of innovative and results-based instruments, and (2) partnering with the World Bank Group to strengthen the delivery of Canada's bilateral assistance in fragile and conflict-affected regions.



Innovative and Results-Based Instruments and Policies

Over the course of the reporting period, the World Bank Group has been very effective at leveraging partnerships, particularly through innovative financing for development. As mentioned in the section “Key Developments at the World Bank Group in 2012–13,” Canada has successfully promoted and contributed to many initiatives launched by the World Bank Group in the past two years.

Notably, Canada has allocated \$40 million to the AgResults initiative, as part of a broader donor commitment of \$100 million. Since the launch of AgResults in June 2012, significant progress has been made in setting up its financial and administrative structure, including the financial intermediary fund managed by IBRD, as well as evaluation and secretariat functions awarded through competitive processes. Initial pilot projects are being developed to target improved harvest management and nutritional fortification of staple crops in Sub-Saharan Africa.

In addition, in January 2013, Canada provided \$75 million to the World Bank Group’s IFC’s Climate Catalyst Fund, which will invest in funds that support companies developing innovative ways to address climate change. While it is still too early to assess the development outcomes, the Fund is already attracting private capital by demonstrating the commercial viability of climate change mitigation investments.

Canada’s participation in these two initiatives underscored Canada’s views that continued efforts and innovation by the World Bank Group are needed to address long-term financing gaps and development challenges. In particular, Canada has repeatedly emphasized that leveraging the private sector, for its knowledge and resources, is key. The progress made by the World Bank Group in 2012–13 in this area is notable, and Canada will continue to encourage it to play a leadership role in harnessing private sector resources for development.

Canada has been monitoring closely the implementation of the World Bank Group’s innovative and results-based Program-for-Results lending instrument since its launch in January 2012. The World Bank expects this instrument to accelerate the use and strengthening of country systems, a critical element in the sustainable development of country institutions. Canada has always been a strong proponent of the importance of developing a body of lessons learned and best practices in the deployment of development programming and government officials are paying particular attention to the successes and challenges faced by the World Bank in rolling out the Program-for-Results lending instrument.

Partnerships That Strengthen Program Delivery

Since January 1, 2012, Canada has both encouraged and supported the World Bank Group’s focus to increase engagement with the private sector in fragile and conflict-affected regions, and has emphasized the importance of the World Bank Group supporting the New Deal principles endorsed at the Busan High Level Forum in 2011.

Actions taken by Canada in 2012–13 have contributed to strengthen and enhance the World Bank Group’s engagement in fragile and conflict-affected regions. For example, Canada became the founding donor to the Conflict-Affected and Fragile Economies Facility (CAFEEF) managed by MIGA, with a grant of \$20 million. CAFEEF will use donor partner contributions and guarantees, as well as MIGA guarantees, to provide an initial loss layer to insure investment projects in conflict-affected and fragile economies. Canada also established a \$20-million Partnership Fund with IFC with a focus on supporting investments in fragile and conflict affected regions.



In line with Canadian objectives and international aid effectiveness principles, over the past year and a half, the World Bank Group has enhanced its collaboration efforts and work in international fora to improve food security, infrastructure and international environmental governance. The World Bank Group has been one of Canada's key partners for delivering programming that addresses food security challenges, including through the Global Agriculture and Food Security Program (GAFSP). Canada has been a leader in the establishment and financing of the GAFSP and is the second largest donor to the initiative (the Department of Foreign Affairs, Trade and Development provided \$206 million to the Public and Private Sector Windows while the Department of Finance provided \$48 million to the Private Sector Window). So far, over 20 projects worth US\$680 million have been approved under both Windows, raising agricultural productivity, linking farmers to markets, reducing risk and vulnerability, and improving non-farm rural livelihoods.

In addition, the World Bank Group has continued to demonstrate its ability to work with a broad range of public- and private-sector partners in successfully mobilizing additional resources to finance climate action. One of the most notable examples is the US\$7.3-billion Climate Investment Funds, which play a key role in meeting international climate change objectives and bringing stakeholders together.

While the World Bank Group has been very successful in guiding international collaborative efforts to address global development challenges, coordination within the Group itself could be further improved. Accordingly, Canada will continue to press for enhanced collaboration and harmonization between IDA, IBRD, IFC and MIGA, including in the extractive industries programming sector. The Bank's new strategy should present a good opportunity for Canada to promote partnerships between the different arms of the World Bank Group to strengthen program delivery.

Going Forward

Over the course of 2013–14, the World Bank Group needs to remain ambitious and innovative in developing new financial instruments that respond to the needs of recipients and contribute to the achievement of better development results. Canada will continue to insist that the World Bank Group engage and coordinate systematically with development partners, including donors and other multilateral development banks, to address development challenges.

Canada will also push the World Bank Group to ensure that sound financial management practices are in place and that capital resources are used as efficiently possible. The World Bank Group is currently well-capitalized, and management has indicated that it would be possible to increase lending to IBRD countries by using its existing capital more efficiently, without incurring significant additional risk. In 2013 and beyond, Canada will be a strong advocate for improved financial efficiency at the World Bank Group.



2012 Objective #2: Uphold the legitimacy of the World Bank Group, including through appropriate governance and accountability structures.

- Advocate for a transparent and merit-based selection process for the Presidency of the World Bank Group in 2012 that is open to candidates from all member countries.
- Further strengthen the implementation of the World Bank's results agenda, including the identification, monitoring, reporting and tracking of development results.

Canada's second objective for 2012 was to uphold the legitimacy of the World Bank Group, including through appropriate governance and accountability structures. To ensure that the Bank can meet its ambitious goals, members of the World Bank Group must have confidence that the institution has appropriate tools in place to implement its results agendas and that its governance structure is fair and legitimate.

Canada commended the World Bank Group's Board of Executive Directors in 2012, for its decision to implement a transparent and merit-based selection process, open to candidates from all member countries, for the institution's Presidency. For years Canada has been a strong advocate for change in the selection process. This represents a positive step in the governance of the World Bank Group, marking the first occasion on which the Presidency was contested. Dr. Jim Yong Kim, an accomplished practitioner in global health issues and former president of Dartmouth College, was appointed to a five-year term as President of the World Bank Group effective July 1, 2012.

Achieving the World Bank Group's goals by 2030 will not be an easy task. In Canada's view, the World Bank will need to ensure that every dollar contributed through replenishments and trust funds is linked to demonstrable results within an environment of continuous learning and improvement. Accordingly, over the course of the reporting period, Canada has worked in partnership with the World Bank Group to strengthen results-based management frameworks, both at the corporate and project level.

In September 2011, the World Bank introduced its first print-based Corporate Scorecard. The Corporate Scorecard, which covers both IBRD and IDA, is designed to provide a snapshot of the Bank's overall performance, including its business modernization, in the context of development results. Canada welcomed the introduction of the Scorecard as it facilitates a strategic dialogue between Management and the Board—and, in the case of IDA replenishment negotiations, with IDA Deputies—on progress made and areas that require further attention.

Canada has consistently emphasized the importance of sharing knowledge and making data easily accessible to World Bank clients and partners. We thus commend the World Bank for developing an electronic version of its Corporate Scorecard in 2012, which provides users with online access to indicators, data disaggregated by regions and countries for selected indicators, time series, and visual data presentation. The latest version of the World Bank's complete Corporate Scorecard can be found on its Corporate Scorecard web page (<http://corporatescorecard.worldbank.org>).



Figure 1
World Bank Corporate Scorecard Summary—2013

| | | | |
|--------------------|---|--|--------------------------|
| RESULTS | TIER I Development Context What is the development progress in Bank client countries as a group | Growth, Jobs and Poverty Institutions and Governance Human Development and Gender Sustainable Development Finance, Private Sector Development, and Trade | |
| | Tier II Country Results Supported by the Bank How is the Bank supporting countries in achieving results? | Institutions and Governance Human Development and Gender Sustainable Development Finance, Private Sector Development, and Trade | |
| PERFORMANCE | Tier III Development Outcomes and Operational Effectiveness Is the Bank managing the performance of its activities effectively to achieve results? | Development Outcomes Lending Operations Knowledge Activities Use of Country Systems | (Y) (Y) (G) (G) |
| | Tier IV Organizational Effectiveness and Modernization Is the Bank managing skills, capacity, resources, and processes efficiently, and is business modernization on track? | Resources and Alignment Capacity and Skills Business Modernization Sector Actions Related to Post-Crisis Directions | (G) (Y) (Y) (G) |

LEGEND

- G Majority of the indicators in the group show improvement or are on track.
- Y No clear trend; while some indicators show improvement, others show decline or no change.
- R Majority of the indicators in the group show declines or are off track.

For **Tiers I and II**, color-coded traffic lights are not assigned since these tiers reflect country development results.

Source: The World Bank's Corporate Scorecard web page.



Going Forward

In the last quarter of 2013, the World Bank Group will unveil a new strategy, aimed at supporting the operationalization of its recently announced vision. Canada will focus its efforts on supporting reforms that accelerate progress towards meeting the Group's two key goals of eliminating extreme poverty and promoting shared prosperity. In addition, Canada will continue to press the World Bank Group to strengthen the implementation of its results agenda, including the identification, monitoring, reporting and tracking of development results in core operations and trust funds supported by Canada.

2012 Objective #3: Lay the groundwork for a successful replenishment of IDA, which is scheduled to occur in 2013.

- Evaluate IDA's progress against the IDA16 Results Measurement System before providing future replenishment funding.
- Identify and advocate for the adoption of best practices in multilateral development fund replenishment processes.
- Develop a clear position on the appropriate level of resource transfers from the IBRD and the IFC.

Canada's third objective was to lay the groundwork for a successful replenishment of IDA, scheduled to occur in 2013. In preparation for the 17th replenishment of IDA, Government of Canada officials evaluated IDA's progress against the IDA16 Results Measurement System through participation in the IDA16 Mid-Term Review. The IDA16 Results Measurement System uses the same four-tier structure of the Corporate Scorecard (see Objective #2). Results included:

1. **Tier I**—Country Progress on Key Development Outcomes: Of note, the average per capita GDP for IDA countries has increased during the reporting period. Similarly, the percentage of people living on less than US\$1.25 and US\$2 per day declined between 2005 and 2008, although the number of absolute poor in IDA countries remained at about 1 billion in 2008. Despite progress made in many sectorial areas in IDA countries, significant gaps remain, highlighting the need for IDA to step up efforts in these areas.
2. **Tier II**—IDA's Performance in Supporting Country-Level Development Results: Of note, only 69 per cent of projects met established development outcomes, falling short of the IDA16 performance standard of 75 per cent. IDA has put in place new quality assurance measures to address this challenge.
3. **Tier III**—Operational Effectiveness of IDA Products (including the quality of design, the strengthening and use of country systems and the focus on special themes): IDA has been making significant progress on this set of indicators. Of note, IDA has increased the use of impact evaluations and is on track to meet the IDA16 performance standard of an average of 17 impact evaluations per year. IDA also scores strongly on the use of country systems and mainstreaming of gender and climate change, which are discussed in all IDA16 Country Assistance Strategies.
4. **Tier IV**—IDA's Organizational Effectiveness (in terms of speed and cost, decentralization and mapping for results): Indicators on the speed and cost of IDA projects have for the most part improved, and IDA16 performance standards on decentralization have been broadly met.



IDA is poised to graduate several borrowers during the IDA17 period. In this context, during the first half of the IDA17 replenishment process, Canada emphasized the need for a “whole-of-bank” approach to effectively transition countries from “blend” status to IBRD-only financing. Canada advocated for the Bank to consider the best, most efficient portfolio mix of various Bank instruments for achieving poverty reduction outcomes in different country contexts. Canada has also encouraged maximum capital efficiency and balance sheet leverage to promote more development finance from World Bank sources and ensure that concessional resources flow to the poorest and most vulnerable countries.

Going Forward

In 2013, the wording of this objective will be modified to read, “Ensure a constructive and progressive replenishment of the International Development Association,” reflecting that this replenishment process is underway in this reporting period.

Canada will keep working with like-minded shareholders to continue to press the Bank to adopt a whole-of-bank approach to the replenishment negotiation. This includes supporting graduating countries transitioning from IDA to the IBRD only, and promoting the increased use of private sector instruments within IFC and MIGA in IDA-borrowing countries. Canada will champion greater resource allocations for failed and conflict affected states, and increased funding for regional programming with transformational potential.

Canada’s Objectives at the World Bank Group in 2013–14

In the interests of effective governance, the objectives in this year’s report are concrete and measurable actions that the Government of Canada will take to engage the World Bank Group in 2013–14 through a number of channels, including through our Executive Director.

1. Promote appropriate financial instruments, policies and partnerships that strengthen program delivery within the World Bank Group.

- Ensure that Canada’s development priorities are appropriately considered in the Bank Group’s operations, including sustainable economic growth, private sector development, food security, children and youth and gender equality.
- Work with the International Monetary Fund, Inter-American Development Bank, the Caribbean Development Bank and other donors to address development challenges facing Caribbean partners.
- Work with other shareholders to ensure that appropriate instruments and sound management practices are in place so that capital resources are deployed as efficiently as possible.

2. Uphold the legitimacy of the World Bank Group, including through appropriate governance and accountability structures.

- Improve the results monitoring, reporting and evaluation of trust funds supported by Canada.
- Increase Canadian visibility and recognition of development results achieved through our financial and policy contributions.

3. Ensure a constructive and progressive replenishment of the International Development Association.

- Ensure a whole-of-bank approach to the graduation of countries which are no longer eligible to borrow from IDA based on their gross national income per capita and creditworthiness.
- Prioritize improved support for the poorest countries and fragile states.
- Increase the scope of engagement between emerging economies and the World Bank, including in soft window replenishments.



Annex 1

Background On IMF Operations and Canada's Engagement

The IMF works to safeguard the stability of the international monetary system in order to facilitate international trade, promote sustainable economic growth and raise global living standards. Canada has been a central and influential member of the IMF since 1945, being one of only 29 countries that signed the original IMF Articles of Agreement. Since then, the IMF has grown to include a near-global membership of 188 member countries. Canada plays an important collaborative role with our international partners to ensure that the IMF is effectively fulfilling its mandate. A healthy and stable global economy creates more jobs for Canadians, promotes stable prices for goods and services, and improves our standard of living. Canada's participation at the IMF encourages international cooperation, sustainable economic growth and better living standards for Canadian citizens and others across the globe. Canada is engaged in all aspects of the IMF's governance and activities.

Governance and Representation

Canada at the Board of Governors

The IMF is accountable to the 188 governments of its member countries through a number of mechanisms, first and foremost the Board of Governors, which is tasked with taking the most important institutional decisions. Canada's Governor to the IMF is currently the Minister of Finance, James M. Flaherty, and the Alternate IMF Governor is Bank of Canada Governor Stephen Poloz. The Board of Governors meets once a year and can be called upon to formally vote without meeting on resolutions required by the Articles of Agreement (e.g. SDR allocations, quota increases, admitting new members), and on resolutions that amend the Articles or By-Laws of the Fund. Below are the positions taken by the Minister in his capacity as IMF Governor during the 2012–13 reporting period.

Voting Record of Minister of Finance in 2012–13

In March 2012, September 2012 and March 2013, the Minister of Finance approved the activation of the New Arrangements to Borrow (NAB) for a period of six months.

In March 2012, the Minister of Finance voted to approve the level of Canada's NAB credit arrangement that will be in place following the "NAB rollback" that will occur once the 2010 quota reforms enter into force.

In May 2012, the Minister of Finance voted to approve an additional member representing Africa to the joint IMF-World Bank Development Committee.

In July 2012, the Minister of Finance voted to approve the rules governing the 2012 election of Executive Directors.

In July 2012, the Minister of Finance voted against a proposed salary increase for Executive Directors and their Alternates, citing the need to contain expenditure increases at the institution in light of the economic circumstances facing member countries. The proposed increase did not receive the required support to pass.

In July and August 2012, the Minister of Finance notified the IMF that Canada had completed domestic measures necessary to ratify Canada's quota increase and the amendments to the IMF Articles of Agreement respectively, as outlined in the 2010 quota and governance reforms.

In August 2012, the Minister of Finance re-nominated the Honourable Thomas Hockin as Canada's candidate for the 2012 election of Executive Directors.



Voting Record of Minister of Finance in 2012–13 (cont'd)

In September 2012, the Minister of Finance voted to approve Peru as the host of the 2015 IMF-World Bank Annual Meetings, to take place October 9-11 in Lima.

In October 2012, the Minister of Finance cast his ballot to re-elect the Honourable Thomas Hockin as Executive Director representing Canada, Ireland and 10 Caribbean countries.

In March 2013, the Minister of Finance voted to approve amending the By-Laws of the IMF to remove references to appointed Executive Directors, a practice being eliminated through the 2010 quota and governance reforms.

Canada's Voting Share

As a result of the relatively large size of the Canadian economy and its openness to international trade, Canada's Governor wields a sizeable voting share at the IMF of 2.56 per cent. The 2010 quota and governance reforms will continue the process of increasing the voting share of dynamic emerging market and developing countries, bringing them more in line with changing global economic realities. Once the reform enters into force, Canada's voting share will decline slightly to 2.21 per cent, as demonstrated in Table 2.

Table 2
Voting Shares of the Largest Members of the IMF

| Country | Current % of Total Voting Shares | Post-2010 % of Total Voting Shares |
|----------------|----------------------------------|------------------------------------|
| United States | 16.75 | 16.47 |
| Japan | 6.23 | 6.14 |
| Germany | 5.81 | 5.31 |
| United Kingdom | 4.29 | 4.02 |
| France | 4.29 | 4.02 |
| China | 3.81 | 6.07 |
| Italy | 3.16 | 3.02 |
| Saudi Arabia | 2.80 | 2.01 |
| Canada | 2.56 | 2.21 |
| Russia | 2.39 | 2.59 |
| India | 2.34 | 2.63 |
| Netherlands | 2.08 | 1.76 |
| Belgium | 1.86 | 1.30 |
| Brazil | 1.72 | 2.22 |
| Spain | 1.63 | 1.92 |



Canada at the International Monetary and Financial Committee (IMFC)

Although Canada's voting share has declined in reflection of the rising importance of dynamic emerging market economies, many of the decisions at the IMF are taken by consensus, allowing Canada to influence the direction of the IMF in other ways. Canada's standing within the Fund also allows us to appoint the Minister of Finance and Central Bank Governor to the IMFC, an important advisory body to the IMF. The IMFC is composed of 24 member countries and reports to the Board of Governors. The IMFC usually meets twice a year, during the IMF-World Bank Annual and Spring Meetings, and produces communiqués providing direction and guidance to the IMF Managing Director and Executive Board.

The Minister of Finance also tables written statements during the Annual and Spring Meetings that outline Canada's and our constituency's views on the specific governance, surveillance and lending activities of the Fund. In 2012–13, the Honourable James M. Flaherty, Minister of Finance for Canada, tabled three IMFC statements on behalf of Antigua and Barbuda, the Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Ireland, Jamaica, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines on April 20, 2013 in Washington, D.C., on October 13, 2012 in Tokyo, Japan, and on April 21, 2012 in Washington, D.C.

Canada at the Executive Board

The Board of Governors has delegated many of its powers to the 24-member Executive Board, chaired by the Managing Director of the IMF. Canada holds one of the 24 seats on the Executive Board and nominates the Executive Director that is elected to represent a constituency of 12 countries. The constituency system allows for all 188 member countries to be represented at a smaller table that is more conducive to overseeing the day-to-day business of the Fund. Canada represents a constituency that includes Ireland and most Commonwealth Caribbean countries. The Canadian Executive Director therefore holds a voting power of all constituency members combined, for a total of 3.60 per cent. Canada's constituency ranks 12th largest out of 24. A list of all IMF Executive Directors and constituency voting power is available on the IMF Executive Directors and Voting Power web page (<http://www.imf.org/external/np/sec/memdir/eds.aspx>).

The Executive Board formally meets at least three times a week, with a majority of the business on country matters including Article IV reviews, lending program reviews and requests for new lending arrangements. The Board also discusses policy and reform proposals, multilateral surveillance products, and administrative and finance matters. The IMF publishes a tentative seven-day calendar for the Executive Board as well as a complete list of public information notices following Executive Board discussions.

Office of the IMF Executive Director for the Canadian, Irish and Caribbean Constituency

| | |
|------------------------------|---|
| Executive Director | Hon. Thomas Hockin (Canada) |
| Alternate Executive Director | Mary O'Dea (Ireland) |
| Senior Advisor | Antoine Brunelle-Côté (Canada) |
| Senior Advisor | Nicolas Parent (Canada) |
| Senior Advisor | Kelvin Dalrymple (Barbados) |
| Advisor | Trevor Lessard (Canada) |
| Advisor | Michael Hough (Ireland) |
| Administrative Assistant | Basia Manitius |
| Administrative Assistant | Sandra Mendes |
| Phone/fax | 202-623-7778/202-623-4712 |
| Address | 11-112, 700 – 19th Street N.W., Washington, D.C. 20431, USA |



Formal votes by the Executive Board are rare as it usually operates on the basis of consensus where possible. Canada attempts to guide the development of policy proposals before they are brought to the Board (through informal discussions with staff and management) or through consultation with other members of the Executive Board before or during the course of Board deliberations. The Executive Director representing Canada, Ireland and the Caribbean recorded one opposition in 2012–13.

Voting Record of the Executive Director Representing Canada in 2012–13

(Only Oppositions or Abstentions listed)

In May 2013, the Executive Director voted against the resolution to increase the Fund's staff salary structure due to Canadian views on the need for the IMF to control expenses and the institution's positive experience with recruitment and retention.

To learn more about the governance, representation, and accountability structures of the IMF, please visit the IMF's Governance web page (<http://www.imf.org/external/about/govern.htm>).

What the IMF Does

History of the IMF

The IMF was originally conceived as a post-war framework for international economic cooperation at a conference in Bretton Woods, New Hampshire in 1944. The goal of this framework was to avoid a repetition of self-defeating "beggar thy neighbour" policies during the Great Depression, by which countries attempted to protect their economies by devaluing their currencies and raising trade barriers. The World Bank was conceived alongside the IMF to facilitate post-war reconstruction and development. John Maynard Keynes and Harry Dexter White were the intellectual founding fathers of the IMF and World Bank.

Headquartered in Washington, D.C., the IMF came into formal existence in 1945 when its Articles of Agreement were signed, and it began formal operations on March 1, 1947. The countries that joined the IMF between 1945 and 1971 agreed to enter a system of fixed exchange rates which kept the value of their currencies pegged to the US dollar, and in the case of the US dollar, to the value of gold. This monetary system, known as the Bretton Woods system, collapsed in 1971 when the US government decided it would no longer freely buy and sell gold to settle international transactions. Since the collapse of the Bretton Woods system, members have been free to choose any form of exchange system they wish. Since that time, the IMF has assisted its members through the oil shocks of the 1970s, the debt crises of the 1980s, the integration of the former Soviet bloc countries and the response to the Asian financial crisis in the 1990s, and more recently the challenges posed by the global financial crisis.

To learn more about the history of the IMF from 1944-present, visit the IMF's History web page (<http://www.imf.org/external/about/history.htm>). For a more comprehensive history, IMF historians James M. Boughton and Margaret Garritsen De Vries have published historical volumes on the IMF.



IMF activities focus on three primary areas, all aimed at promoting a prosperous global economy by contributing to international monetary and financial stability and growth. They include:

- **Surveillance:** Promoting financial and macroeconomic stability and growth through economic surveillance activities and providing policy advice that can help members prevent or resolve economic crises, sustain strong economic growth and alleviate poverty.
- **Technical assistance:** Providing technical assistance and training to help countries build the expertise and institutions they need to implement sound macroeconomic, financial and structural policies.
- **Lending programs:** Providing temporary financing and policy support to member countries to help them address balance of payments and/or protracted macroeconomic imbalances.

Canada is engaged in all three areas.

Surveillance

Bilateral Surveillance

The IMF identifies risks to global economic and financial stability through the surveillance of national, regional and global economic developments. National surveillance is founded in Article IV of the IMF Articles of Agreement, which requires the Fund to undertake regular consultations with each member country on economic conditions and policies. The Articles also commit each member country to pursuing policies conducive to domestic stability and by extension the stability of the international monetary system. Over time, Article IV consultations have evolved to provide the Executive Board and the public⁸ with: an overview of the state of the economy; an assessment of the appropriateness of the exchange rate regime; an assessment of the economy's strengths and weaknesses and possible negative spillover effects of the country's policies on others; and advice on appropriate corrective measures. On occasion, an Article IV consultation is complemented by a Financial Sector Assessment Program (FSAP) review, which is a comprehensive assessment of a country's financial sector. For the 25 jurisdictions with systemically important financial sectors, mandatory FSAP reviews are completed every five years. The Executive Board discusses and assesses each Article IV consultation. Canada's Executive Director and his staff take part in each discussion, offering verbal and written statements highlighting our constituency's view on the state of the country's economy and posing additional questions to ensure the review is thorough and addresses important risks to the country's outlook. The Department of Finance and Bank of Canada are consulted on Article IV consultations for systemically important economies. The Department of Foreign Affairs, Trade and Development is also consulted when Canadian foreign policy or development priorities arise. Canada's most recent Article IV consultation was conducted in February 2013.

⁸ Not all countries make their Article IV reports public. The publication of Article IV documents requires approval of country authorities.



Multilateral Surveillance

In addition to its bilateral consultations with members under Article IV, the IMF produces the semi-annual *World Economic Outlook*, the *Global Financial Stability Report* and the *Fiscal Monitor*. These flagship reports summarize the IMF's important regional and multilateral surveillance of the global economy, financial and monetary systems and fiscal developments. The IMF also publishes *Regional Economic Outlooks* on a semi-annual basis, which discuss recent economic developments and prospects for various regions, and specialized surveillance reports such as the *Pilot External Sector Report* and the *Spillover Report*, which provide more technical insights into the inner workings of the global economy. Canada's Executive Director is actively engaged in discussing and shaping these multilateral surveillance products to ensure they provide an objective overview of the state of the global economy, the key risks and required measures to boost global growth and promote job creation. The Minister of Finance also provides views on the state of IMF surveillance and proposed reforms through his participation in the IMFC.

Technical Assistance

Technical assistance is an integral part of the IMF's mandate. Improving the capacity of member countries is fundamental to promoting sound macroeconomic policies and enabling effective IMF surveillance. The IMF offers technical assistance and training to members in areas such as tax policy and revenue administration, public expenditure management, debt management, monetary policy, exchange rate systems, financial sector sustainability, and statistics. Approximately 85 per cent of this assistance goes to low-income and lower-middle-income countries. In collaboration with member countries, the IMF delivers technical assistance through missions by headquarters-based staff, short-term expert assignments, long-term resident advisors and regional centres.

Regional Technical Assistance

Recently, the IMF has adopted a more regional approach to the delivery of technical assistance and training and is increasingly relying on donor financing for its programs. In addition to the training offered at the IMF Institute based in Washington, D.C., seven regional training institutes and eight Regional Technical Assistance Centres (RTACs) in Africa (four centres), the Caribbean, Central America, the Pacific and the Middle East help deliver more accessible and regionally tailored programming to member countries across the globe. A fifth African centre is expected to open in 2013 covering non-francophone countries in West Africa.

Canada is a major contributor to the IMF's technical assistance and training centres and is the largest international donor to the Caribbean Regional Technical Assistance Centre (CARTAC), having provided \$20 million for CARTAC Phase IV and \$63 million in total to all phases of CARTAC. Canada also contributes to the African RTACs and the Central America, Panama, Dominican Republic Technical Assistance Centre, established in 2009. It has also provided support for financial sector reform initiatives such as the Anti-Money Laundering and Combating the Financing of Terrorism Trust Fund.



Canadian Technical Assistance Sub-Account

Canada's experience has shown that sound economic policies play a critical role towards securing sustainable economic growth and job creation. To promote these policies and build capacity in the Caribbean and the Middle East and North Africa region, Canada established a \$19-million Technical Assistance Sub-Account at the IMF in 2012. The purpose of the account is to fund additional priority technical assistance projects that would not otherwise be possible within the existing technical assistance budget at the IMF. This support will build on Canada's international efforts to foster sustainable economic growth by helping developing countries strengthen the capacity of their national and regional public institutions to better manage public finances and promote financial sector stability.

Lending

As part of its central role in the international monetary system, the IMF makes its resources available to help members finance temporary balance of payments problems while economic adjustments are underway. Members requesting financial assistance must reach an agreement with the IMF staff on a set of economic measures and reforms aimed at addressing the root causes of the country's balance of payments difficulty. The details of this integrated economic program and the amount and duration of financing are then approved by the Executive Board. Typically, IMF financial assistance is provided in stages, or tranches, with the release of each tranche accompanied by a program review by the Executive Board to verify that the country is continuing to follow the agreed economic program and is meeting agreed policy conditions.

The IMF's lending facilities have undergone changes over time to adapt to changing needs. Lending facilities are divided into two broad groups: non-concessional and concessional. Table 3 provides an overview of each lending facility.



Table 3
IMF Lending Facilities

| Credit Facility (Year Established) | Purpose | Conditions | Phasing and Monitoring |
|---|---|--|--|
| Credit Tranches and Extended Fund Facility (Non-Concessional) | | | |
| Stand-By Arrangement (1952) | Medium-term assistance for countries with balance of payments difficulties of a short-term nature. | Adopt policies that provide confidence that the members' balance of payments difficulties will be resolved within a reasonable period. | Quarterly purchases (disbursements) contingent on observance of performance criteria and other conditions. |
| Extended Fund Facility (1974) | Longer-term assistance to support members' structural reforms to address balance of payments difficulties of a long-term character. | Adopt up to a four-year program, with structural agenda, with annual detailed statement of policies for the next 12 months. | Quarterly or semiannual purchases (disbursements) contingent on observance of performance criteria and other conditions. |
| Flexible Credit Line (2009) | Flexible instrument in the credit tranches to address all balance of payments needs, potential or actual. | Very strong <i>ex ante</i> macroeconomic fundamentals, economic policy framework and policy track record. | Approved access available up front throughout the arrangement period, subject to a mid-term review after one year. |
| Precautionary and Liquidity Line (2011) | Instrument for countries with sound economic fundamentals and policies. | Strong policy frameworks, external position and market access, including financial sector soundness. | Large front-loaded access, subject to semi-annual reviews (for one- to two-year Precautionary and Liquidity Lines). |
| Rapid Financing Instrument (2011) | Rapid financial assistance to all member countries facing an urgent balance of payments need. | Efforts to solve balance of payments difficulties (may include prior actions). | Outright purchases without the need for full-fledged program or reviews. |
| Poverty Reduction and Growth Trust Facilities for Low-Income and Vulnerable Members (Concessional) | | | |
| Extended Credit Facility (2010) | Medium-term assistance to address protracted balance of payments problems. | Adopts three-year Extended Credit Facility (ECF) arrangements. ECF-supported programs are based on a Poverty Reduction Strategy Paper prepared by the country in a participatory process and integrating macroeconomic, structural and poverty reduction policies. | Semi-annual (or occasionally quarterly) disbursements contingent on observance of performance criteria and reviews. |
| Standby Credit Facility (2010) | To resolve short-term balance of payments and precautionary needs. | Adopts 12- to 24-month Standby Credit Facility arrangements. | Semi-annual (or occasionally quarterly) disbursements contingent on observance of performance criteria and reviews (if drawn). |
| Rapid Credit Facility (2010) | Rapid assistance for urgent balance of payments needs where an upper credit tranche quality program is not needed or feasible. | No review-based program necessary or <i>ex post</i> conditionality. | Usually in a single disbursement. |



Non-Concessional Lending Facilities

The Stand-By Arrangement (SBA), has provided the bulk of the Fund's non-concessional assistance since 1952. The SBA addresses short-term balance of payments problems and typically lasts two to three years. On the other hand, the Extended Fund Facility addresses longer-term balance of payments problems requiring fundamental economic and structural reforms and generally runs for three to four years. The Flexible Credit Line and the Precautionary and Liquidity Line, created following the financial crisis, are precautionary credit lines for countries with sound policy frameworks that do not require full lending programs. Countries can enter these precautionary arrangements for one to two years and can re-apply following expiration. The qualification process is heavily focused on the current strength of the country's economic framework. In 2011, the IMF created the Rapid Financing Instrument (RFI) to consolidate and replace two previous emergency assistance facilities. The RFI is available to all members and provides small-scale, rapid support for a full range of urgent needs including natural disasters, commodity price shocks and post-conflict situations.

Concessional Lending Facilities

For low-income member countries, the IMF provides concessional (below-market-rate) lending facilities that fall under the Poverty Reduction and Growth Trust (PRGT). There are three lending facilities in the PRGT framework. The Extended Credit Facility provides flexible medium-term support to low-income members that have protracted balance of payments problems. It is used to provide the bulk of concessional assistance. The Standby Credit Facility, addresses short-term and precautionary balance of payments needs, and is similar to the Stand-By Arrangements in regular Fund lending. The Rapid Credit Facility provides rapid access at low levels with limited conditionality to meet urgent balance of payments needs. It is similar to the RFI, but with a concessional interest rate.



Financial Resources

Table 4

IMF Financial Resources

| Source | Purpose | Status | Current Amount (SDR billion) | When 2010 Quota Reforms Are Implemented |
|--------------------------------------|---|--|---------------------------------|---|
| Quotas | Each member contributes quotas, which serve as the base component of the IMF's financial resources. | Quotas are permanently active. Quota levels and their distribution are reviewed every five years. The 2010 reforms will double aggregate quotas. | 238.4 | 476.8 |
| New Arrangements to Borrow (NAB) | Rules-based set of multilateral borrowing arrangements with 40 IMF members to augment IMF resources in times of global or regional economic instability. | The NAB was enlarged in March 2011 and activated for 6-month periods in April 2011, October 2011, April 2012, October 2012 and April 2013. | 369.9 | 182.4 |
| General Arrangements to Borrow (GAB) | Older, smaller set of multilateral borrowing arrangements with 11 countries, which can only be activated when a proposal to activate the NAB is not accepted. | The GAB was renewed in November 2012 for a period of five years. It has not been activated since 1998. It cannot be used at the same time as the NAB. | 17 | 17 |
| Bilateral borrowing | Temporary supplement to IMF resources when necessary. | In 2012, 39 IMF members pledged US\$461 billion in bilateral loans to supplement Fund resources. To date, US\$394 billion in loans have been signed, but are not active. They can only be activated if the IMF's useable quota and NAB resources fall below SDR 100 billion. | 261 | N/A |

Quotas

The IMF works much like a credit union. It has access to a pool of liquid resources provided by its members, primarily through their payment of quotas, which consist of convertible national currencies, SDRs and other widely used international currencies. Upon joining and subject to regular reviews, each member of the IMF is assigned a quota, based broadly on its relative weight and integration in the world economy. The sum of each country's quota currently equals SDR 238 billion. Quotas play an important role at the IMF as they make up the base of the IMF's lending resources and largely determine a country's voting share. In 2010 IMF members approved a major reform of quotas and IMF governance. When the reforms enter into force, aggregate quotas will be doubled to SDR 476 billion. Quotas are traditionally reviewed every five years. In 2013, quotas are being reviewed again as part of the 15th General Review. Canada's contribution to the IMF's overall quota base is currently SDR 6.37 billion, representing 2.67 per cent of the total. As of April 30, 2013, SDR 1.98 billion or about \$3 billion in drawings by the IMF against Canada's quota was outstanding. Canada's quota will increase from SDR 6.37 billion to SDR 11 billion following the entry into force of the 2010 quota and governance reforms.



Multilateral Borrowing Agreements

During periods of heightened global or regional economic instability, the potential borrowing needs of members may exceed the loan capacity of quota-based resources. In these cases, the IMF has the ability to augment its quota resources with loans from member countries. The IMF currently has two standing multilateral borrowing agreements with its largest members, including Canada: the General Arrangements to Borrow (GAB) and the New Arrangements to Borrow (NAB).

The IMF has GAB agreements with 11 countries totalling SDR 17 billion and NAB agreements with 40 countries totalling SDR 370 billion. The GAB was recently renewed for a period of five years in November 2012; however, it has not been activated since 1998 and cannot be used at the same time as the NAB. The NAB can be activated with the consent of Ministers for six-month intervals. In April 2011, due to heightened global uncertainty, the NAB was activated. It has been reactivated for consecutive six-month periods four additional times, most recently in April 2013 for a total amount of SDR 165 billion. Canada's share of the GAB is SDR 893 million, while its share of the NAB is SDR 7.62 billion. As of April 30, 2013, the IMF had drawn SDR 941 million or about \$1.4 billion from Canada's NAB contribution to fund lending arrangements. Canada's NAB arrangement will be rolled back from SDR 7.62 billion to SDR 3.87 billion following the entry into force of the 2010 quota and governance reforms.

Bilateral Lending Agreements

Canada also provided a temporary bilateral credit line of US\$10 billion to the IMF in 2009 to bridge the IMF's resource gap until the expanded NAB entered into force in March 2011. The bilateral line expired on March 31, 2013. The IMF's resources are being further augmented on a temporary basis as a result of new bilateral credit line pledges of US\$461 billion, made by 39 countries in 2012 in the face of the sovereign debt crisis in the euro area. To date, the IMF has signed US\$394 billion of these loans, which can only be activated as a last line of defence once quota and NAB resources have been significantly depleted and the IMF's Forward Commitment Capacity (see below) has fallen to SDR 100 billion. Canada did not participate in this round of bilateral borrowing arrangements, as detailed in the section entitled "Canada's Objectives at the IMF."

Table 5
Summary of Canada's Financial Position at the IMF
Canada's IMF-Related Finances, as of April 30, 2013
(in SDR, billions)

| | Allocated Contribution | Amount Drawn |
|----------------|------------------------|--------------|
| Current quota | 6.4 | 2.0 |
| NAB commitment | 7.6 | 0.9 |
| GAB commitment | 0.9 | 0 |
| Total | 14.9 | 2.9 |



General Resource Safeguards

Not all of the IMF's resources are available for lending. This is because the IMF does not draw from the quota of members in programs, or from members who are not considered to have a strong balance of payments position. Only a subset of the membership provides loanable resources to the Fund. These financially strong members participate in the institution's Financial Transactions Plan, which sets out at regular intervals the Fund's anticipated drawings on members' quotas and NAB commitments. Further, the Fund sets aside a prudential balance of 20 per cent of useable quota and NAB resources. The prudential balance is an important safeguard to the liquidity of members' claims. The IMF therefore uses a measure known as the Forward Commitment Capacity (FCC) as a measure of resources available for new financial commitments in the coming year. It is equal to: uncommitted usable resources, *plus* repayments one year forward, *less* amounts that have already been committed under existing lending arrangements, *less* the prudential balance. The FCC does not include unactivated bilateral loans such as the recently signed US\$394 billion in loans or the GAB. As April 30, 2013, the FCC totalled SDR 265 billion or about US\$400 billion.

The IMF's resources are protected by a number of financial safeguards including the institution's preferred creditor status, encashability of creditors' claims in certain circumstances, and the Fund's precautionary balances. The IMF has never suffered a loss on its lending activities. Funds provided to the IMF do not affect Canada's net debt measure as they constitute financial assets of the Government of Canada. Interest is earned on these claims at the SDR interest rate when they are drawn to fund lending programs. Claims on Canadian lending to the IMF are booked as a part of the official international reserves of the Government of Canada, in line with international accounting practices.

For more information on the IMF's balance sheet, see Annex 2. The IMF's 2013 Annual Report also contains an in-depth examination of the IMF's finances. For up-to-date information on the state of IMF finances, the IMF prepares a weekly summary of its financial assistance to member countries, available IMF resources, arrears and key IMF rates, as well as a monthly summary of its total resources, useable resources and forward commitment capacity.

Concessional Lending and Debt Relief Resources

The IMF's concessional lending and debt relief for low-income countries are financed through separate trust funds rather than from quota subscriptions. Low-interest loans are provided under the Poverty Reduction and Growth Trust (PRGT), while debt relief is provided under the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative and the Post-Catastrophe Debt Relief Trust. The resources for these activities come from member's voluntary contributions and the IMF itself. They are administered under various Trust agreements, with the IMF acting as Trustee. More information on the IMF's debt relief activities is available on its Where the IMF Gets Its Money web page (<http://www.imf.org/external/np/exr/facts/finfac.htm>).

Concessional lending from the PRGT requires both loan resources and "subsidy" resources. Donor countries enter into loan agreements, with the IMF as Trustee for the PRGT. The borrowed funds are then on-lent as part of the IMF's PRGT programs. Interest is paid by the Fund on loan contributions, and all resources provided under the loan agreements are treated as official foreign exchange reserves and are covered by the IMF's preferred creditor status.



As PRGT loans carry a fixed low interest rate (currently zero), subsidy resources are needed to cover the difference between the concessional interest rate paid by poor and vulnerable members and the SDR interest rate paid to PRGT lenders. For Canada, the provision of subsidy resources carries a budgetary cost. In addition to donor-financed subsidy contributions, the IMF also uses annual interest earnings from the PRGT's reserves (which serve as security for PRGT lenders) to augment subsidy resources. These internal resource flows give the PRGT a "self-sustaining" concessional lending capacity.

Following the onset of the global financial and economic crisis, the IMF successfully mobilized a major PRGT financing package composed of internal funds and new donor resources to scale up assistance to the most vulnerable IMF members. The aim of the exercise was to boost the PRGT's capacity so that it could lend concessional resources of up to SDR 11.3 billion over the 2009–2014 period. Canada played a leadership role throughout this process, including contributing \$40 million of subsidy resources and SDR 500 million (about \$800 million) in loan resources. These contributions were announced in Budget 2010.

While the 2009–2014 financing package has proved successful, the lead time required to assemble funding for the PRGT led the IMF to shift its focus over the last year to the post-2014 period. Thus, in September 2012 the Executive Board approved an SDR 1.75 billion transfer of the Fund's general reserves attributed to the remaining 2009–10 windfall gold sales profits to the PRGT. When combined with existing PRGT reserves, the annual interest earned from these funds will give the PRGT a self-sustaining lending capacity of about SDR 1.25 billion per year, broadly in line with projected demand over the medium term. Once fully implemented, the PRGT will be in a much stronger position to support the poorest and most vulnerable IMF members.



Annex 2

Operational Highlights and Key Financial Indicators for the IMF for Fiscal Year 2013

IMF disbursements (i.e., outflows of IMF resources to borrowing members) from the General Resources Account fell sharply to SDR 10.6 billion in FY2013 from SDR 32.2 billion in FY2012, while repayments (i.e., inflows of IMF resources) rose sharply to SDR 14.6 billion in FY2013 from SDR 3.6 billion the year before. As a result, resource repayments were in excess of disbursements (by SDR 4 billion) for the first time in five years. Disbursements from the Poverty Reduction and Growth Trust declined modestly to SDR 0.9 billion in FY2013 from SDR 1.1 billion in FY2012, while repayments rose modestly to SDR 0.5 billion in FY2013 from SDR 0.4 billion in FY2012.

IMF Disbursements and Repayments

(SDR Billions)

| | FY2012 | FY2013 |
|--|---------------|--------------|
| General Resources Account (GRA) | | |
| Disbursements | (32.2) | (10.6) |
| Repayments | 3.6 | 14.6 |
| | (28.6) | 4.0 |
| Poverty Reduction and Growth Trust (PRGT)¹ | | |
| Disbursements | (1.1) | (0.9) |
| Repayments | 0.4 | 0.5 |
| | (0.6) | (0.4) |
| GRA and PRGT | | |
| Total disbursements | (33.3) | (11.5) |
| Total repayments | 4.0 | 15.1 |
| | (29.3) | 3.6 |

¹ Includes loans under the Structural Adjustment Facility and Trust Fund.
Source: IMF.

Outstanding credit from the GRA decreased slightly to SDR 90.2 billion in FY2013 from a record high of SDR 94.2 billion in FY2012. Likewise, this brought total credit outstanding down slightly to SDR 96.1 billion from a record SDR 99.7 billion the year prior. Outstanding credit from the PRGT edged up to SDR 5.9 billion in FY2013—the highest in eight years.



IMF Outstanding Credit

(SDR Billions)

| | FY2012 | FY2013 |
|---|-------------|-------------|
| General Resources Account | 94.2 | 90.2 |
| Poverty Reduction and Growth Trust¹ | 5.5 | 5.9 |
| Total | 99.7 | 96.1 |

¹ Includes loans under the Structural Adjustment Facility and Trust Fund.
Source: IMF.



Annex 3

Active IMF Lending Arrangements as of April 30, 2013

IMF Lending Arrangements as of April 30, 2013

(SDR Millions)

| | Date of Arrangement | Date of Expiration | Amount Agreed | Amount Drawn |
|---|---------------------|--------------------|----------------|---------------|
| General Resources Account (GRA) | | | | |
| Stand-By Arrangement | | | | |
| Antigua and Barbuda | June 7, 2010 | June 6, 2013 | 68 | 51 |
| Bosnia and Herzegovina | September 26, 2012 | September 25, 2014 | 338 | 101 |
| Georgia | April 11, 2012 | April 10, 2014 | 125 | 0 |
| Jordan | August 3, 2012 | August 2, 2015 | 1,364 | 512 |
| Kosovo | April 27, 2012 | December 26, 2013 | 91 | 78 |
| Romania | March 31, 2011 | June 30, 2013 | 3,091 | 0 |
| St. Kitts and Nevis | July 27, 2011 | July 26, 2014 | 53 | 43 |
| Total | | | 5,129 | 785 |
| Extended Fund Facility | | | | |
| Armenia | June 28, 2010 | September 27, 2013 | 133 | 105 |
| Greece | March 15, 2012 | March 14, 2016 | 23,785 | 4,197 |
| Ireland | December 16, 2010 | December 15, 2013 | 19,466 | 17,374 |
| Portugal | May 20, 2011 | May 19, 2014 | 23,742 | 19,126 |
| Seychelles | December 23, 2009 | December 22, 2013 | 26 | 20 |
| Total | | | 67,153 | 40,823 |
| Flexible Credit Line | | | | |
| Colombia | May 6, 2011 | May 5, 2013 | 3,870 | 0 |
| Mexico | November 30, 2012 | November 29, 2014 | 47,292 | 0 |
| Poland | January 18, 2013 | January 17, 2015 | 22,000 | 0 |
| Total | | | 73,162 | 0 |
| Precautionary and Liquidity Line | | | | |
| Morocco | August 3, 2012 | August 2, 2014 | 4,117 | 0 |
| Total | | | 4,117 | 0 |
| GRA Total | | | 149,561 | 41,607 |



IMF Lending Arrangements as of April 30, 2013 (cont'd)

(SDR Millions)

| | Date of Arrangement | Date of Expiration | Amount Agreed | Amount Drawn |
|--|---------------------|--------------------|----------------|---------------|
| Poverty Reduction and Growth Trust (PRGT) | | | | |
| Extended Credit Facility | | | | |
| Afghanistan | November 14, 2011 | November 13, 2014 | 85 | 24 |
| Armenia | June 28, 2010 | September 27, 2013 | 133 | 107 |
| Bangladesh | April 11, 2012 | April 10, 2015 | 640 | 183 |
| Benin | June 14, 2010 | September 13, 2013 | 74 | 53 |
| Burkina Faso | June 14, 2010 | June 13, 2013 | 82 | 76 |
| Burundi | January 27, 2012 | January 26, 2015 | 30 | 10 |
| Central African Republic | June 25, 2012 | June 24, 2015 | 42 | 7 |
| Comoros | September 21, 2009 | December 31, 2013 | 14 | 10 |
| Côte d'Ivoire | November 4, 2011 | November 3, 2014 | 390 | 211 |
| Gambia, The | May 25, 2012 | May 24, 2015 | 19 | 9 |
| Guinea | February 24, 2012 | February 23, 2015 | 129 | 37 |
| Guinea-Bissau | May 7, 2010 | May 6, 2013 | 22 | 15 |
| Haiti | July 21, 2010 | July 20, 2013 | 41 | 36 |
| Kenya | January 31, 2011 | January 30, 2014 | 489 | 417 |
| Kyrgyz Republic | June 20, 2011 | June 19, 2014 | 67 | 38 |
| Lesotho | June 2, 2010 | June 1, 2013 | 51 | 39 |
| Liberia | November 19, 2012 | November 18, 2015 | 52 | 7 |
| Malawi | July 23, 2012 | July 22, 2015 | 104 | 39 |
| Mauritania | March 15, 2010 | June 30, 2013 | 77 | 66 |
| Niger | March 16, 2012 | March 15, 2015 | 79 | 23 |
| São Tomé and Príncipe | July 20, 2012 | July 19, 2015 | 3 | 0 |
| Sierra Leone | July 1, 2010 | June 30, 2013 | 31 | 22 |
| Solomon Islands | December 7, 2012 | December 6, 2015 | 1 | 0 |
| Total | | | 2,653 | 1,430 |
| Standby Credit Facility | | | | |
| Georgia | April 11, 2012 | April 10, 2014 | 125 | 0 |
| Tanzania | July 06, 2012 | January 05, 2014 | 149 | 75 |
| Total | | | 274 | 75 |
| PRGT Total | | | 2,928 | 1,505 |
| Grand Total | | | 152,489 | 43,112 |

Source: IMF



Annex 4

Background on World Bank Group Operations and Canada's Engagement

The overarching mission of the World Bank Group is to reduce global poverty, focusing on the achievement of the Millennium Development Goals (MDGs). The MDGs set concrete targets for the elimination of poverty and sustainable development and provide the World Bank Group and other donors with common targets for measuring results. The World Bank Group concentrates on fostering a climate conducive to investment, job creation and sustainable growth. It also seeks to empower the less fortunate, through the provision of health services, education and other social services, to enable them to participate in development.

The Role and Mandate of the World Bank Group

The World Bank Group is made up of five complementary but distinct entities: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID). Each institution plays a unique role in promoting global poverty reduction.

All figures in this section reflect the World Bank Group's 2013 fiscal year (July 1, 2012 to June 30, 2013) unless otherwise indicated. Further information on the World Bank Group's financial results can be found on its Financial Results web page (<http://go.worldbank.org/P3D38KLWM0>).





IBRD—International Bank for Reconstruction and Development

IBRD at a Glance

- Established: 1944
- Members: 188
- Mission: Broad poverty reduction
- Clients: Middle-income and creditworthy low-income countries
- Tools: Loans, guarantees, risk management products, and analytical and advisory services
- Size: US\$15.2 billion in new commitments in 2013

Established in 1944, IBRD is the original institution of the World Bank Group and continues to be its main lending agency, providing loans to middle-income and creditworthy low-income countries.

IBRD raises most of its funds in the world's financial markets by selling AAA-rated World Bank bonds. It lends these funds to its client countries at a rate of interest that is much lower than the rate they could secure on their own. IBRD can borrow at attractive rates because it is backed by capital commitments from its member countries, including Canada.

IBRD does not seek to maximize profit; rather, it aims to earn enough to ensure its financial strength and to sustain its development activities. In 2013, the IBRD loan portfolio included commitments of US\$15.2 billion to 92 projects in 35 countries, a decrease of \$5.3 billion from 2012. Despite the downward trend in annual commitments, demand for IBRD's loan products remains strong and substantially above 2009 levels.

Latin America and the Caribbean received the largest portion of IBRD funding in 2013 (31.3 per cent), followed by Europe and Central Asia (30.1 per cent).

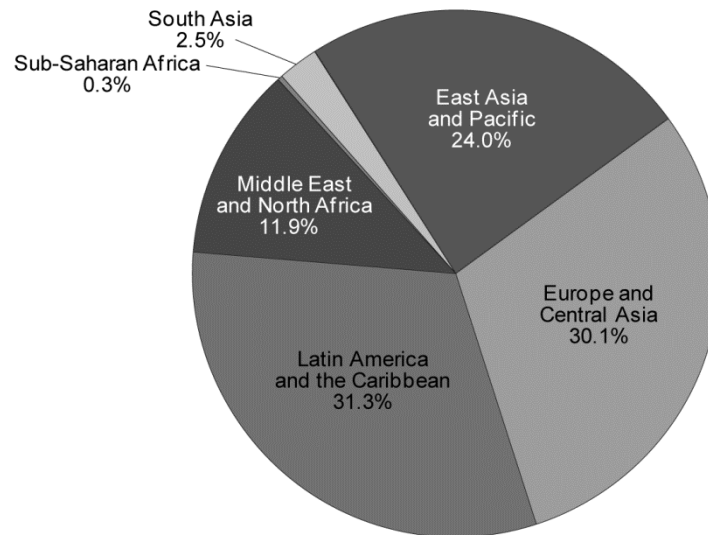
For more information about IBRD, visit its website (<http://www.worldbank.org/ibrd>).



Chart 4

Total IBRD Lending by Region, 2013

(% share of US\$15.2 billion)

**IDA—International Development Association****IDA at a Glance**

- Established: 1960
- Members: 172
- Mission: Broad poverty reduction
- Clients: Poorest countries
- Tools: Interest-free loans, grants, and analytical and advisory services
- Size: US\$16.3 billion in new commitments in 2013

In the 1950s, it became clear that the poorest developing countries could not afford to borrow needed capital on the interest terms offered by the IBRD. In response, IDA was set up to reduce poverty by providing interest-free credits and grants. IDA offers 25- and 40-year interest-free loans and grants to countries at risk of debt distress and represents the largest source of development financing for many of these countries. IDA is focused on countries with annual per capita income of less than US\$1,195. Eighty-two countries are currently eligible to receive IDA resources. Countries that are eligible for IDA lending and also have an active IBRD lending program are charged a slightly higher interest charge for loans from IDA than is charged to other IDA borrowers.

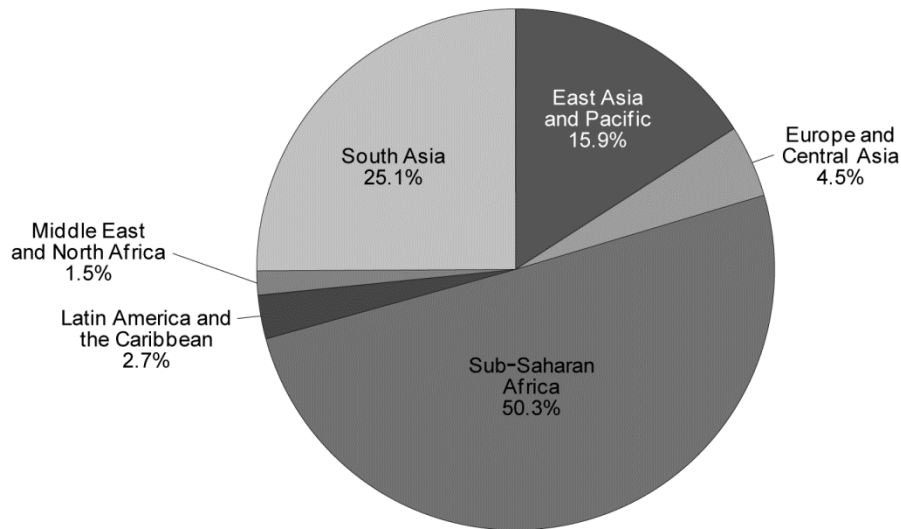
New IDA commitments are financed through contributions from donor governments, including Canada, annual transfers from IBRD and IFC net income, and principal repayment on past loans. Donor contributions make up the largest component of IDA's finances. Every three years, IDA funds are replenished through new donor pledges. The 17th replenishment round is currently under way and is expected to conclude in December 2013.



Sub-Saharan Africa received the largest share of IDA resources in 2013—US\$8.2 billion, or 50.3 per cent of total commitments. South Asia received 25.1 per cent of new commitments, totalling US\$4.1 billion.

For more information about IDA, visit its website (visit <http://www.worldbank.org/ida>).

Chart 5
Total IDA Commitments by Region, 2013
(% share of US\$16.3 billion)



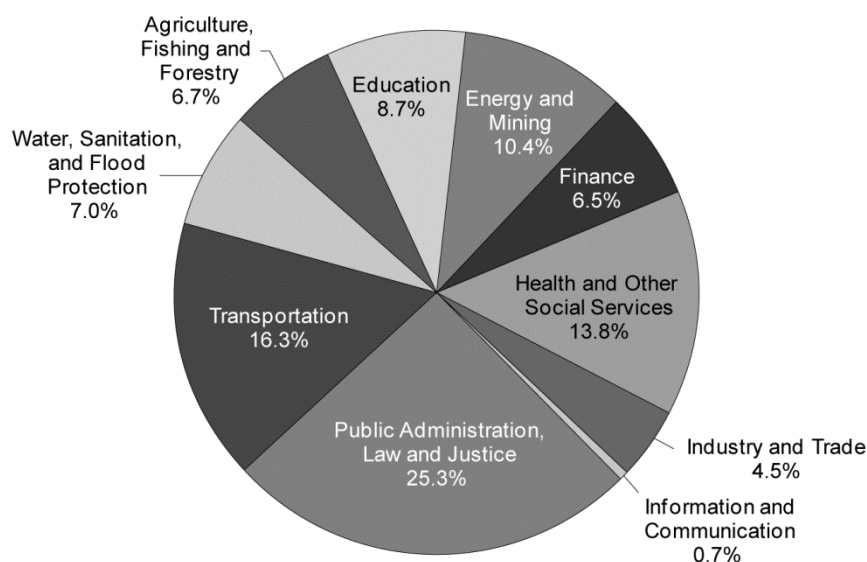
IBRD and IDA lending for infrastructure (Transportation; Energy and Mining; Water, Sanitation, and Flood Protection) combined for approximately 34 per cent of total lending in 2013. Other sectors that were a major focus for lending included Public Administration, Law and Justice (25 per cent) and Health and Other Social Services (14 per cent).



Chart 6

Total IBRD and IDA Lending by Sector, 2013

(% share of US\$31.5 billion)

**IFC—International Finance Corporation****IFC at a Glance**

- Established: 1956
- Members: 184
- Mission: Promote sustainable private sector investment to help support economic growth, reduce poverty and improve people's lives
- Clients: Businesses in developing countries where there is limited access to capital
- Tools: Commercial-rate loans, equity investments, resource mobilization and advisory services
- Size: US\$24.9 billion in new investment commitments in 2013

IFC works with the private sector in developing countries to reduce poverty and encourage sustainable economic growth. It provides financing for private sector projects, assists in mobilizing financing in international financial markets, and provides advice and technical assistance to businesses and governments. IFC provides financing where sufficient private capital cannot be obtained from other sources on reasonable terms. It is now the largest multilateral source of loan and equity financing for private sector projects in the developing world.

IFC is legally and financially autonomous, but it collaborates and coordinates with IBRD, IDA, MIGA and other organizations.

In 2013 IFC committed US\$24.9 billion in new investments (including core mobilization). IFC's total portfolio grew to US\$49.6 billion from US\$45.3 billion the previous year. New commitments included US\$6.57 billion in Latin America and the Caribbean, US\$4.21 billion in Europe and Central Asia, US\$5.28 billion in Sub-Saharan Africa, US\$2.80 billion in the Middle East and North Africa, US\$3.38 billion in East Asia and the Pacific, and US\$2.46 billion in South Asia.



For more information about IFC, visit its website (<http://www.ifc.org>).

Chart 7

New IFC Investments by Region, 2013

(% share of US\$24.9 billion)

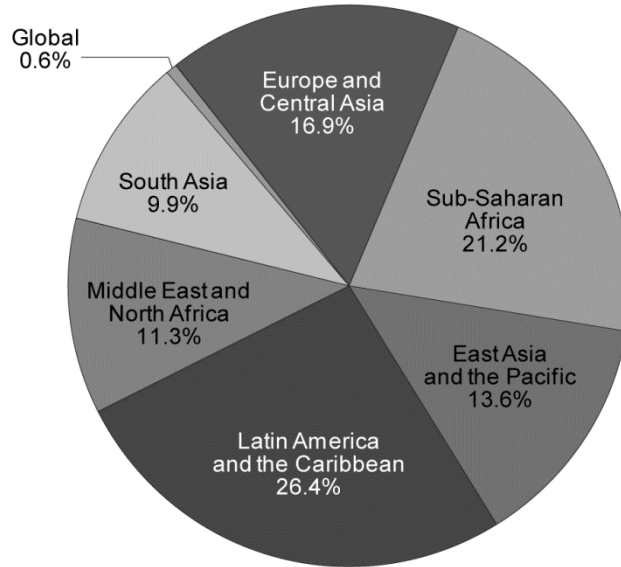
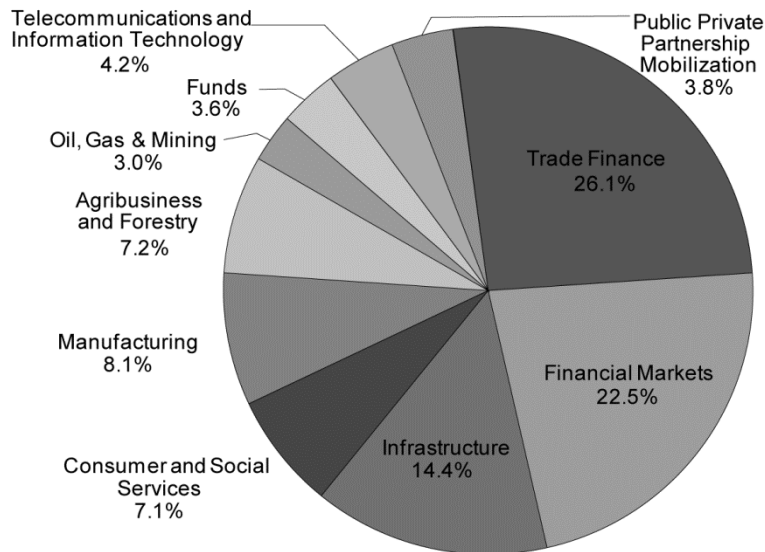


Chart 8

New IFC Investments by Sector, 2013

(% share of US\$24.9 billion)





MIGA—Multilateral Investment Guarantee Agency

MIGA at a Glance

- Established: 1988
- Members: 179
- Mission: Promote foreign direct investment in developing countries to help support economic growth, reduce poverty and improve people's lives
- Clients: Investors and lenders
- Tools: Political risk insurance, and advisory and legal services
- Size: US\$2.8 billion issued in risk guarantees in 2013

MIGA encourages foreign investment in developing countries by providing guarantees to foreign investors against loss caused by non-commercial risks. MIGA also provides technical support to help developing countries promote investment opportunities and uses its legal services to reduce possible barriers to investment.

In 2013, the total amount of guarantees issued for projects in MIGA's developing member countries was US\$2.8 billion, up slightly from US\$2.7 billion in 2012. More than 54 per cent of the total new issuance in 2013 supported private sector development in Sub-Saharan Africa.

For more information about MIGA, visit its website (<http://www.miga.org>).

Chart 9

New MIGA Risk Guarantees Issued by Region, 2013

(% share of US\$2.8 billion)

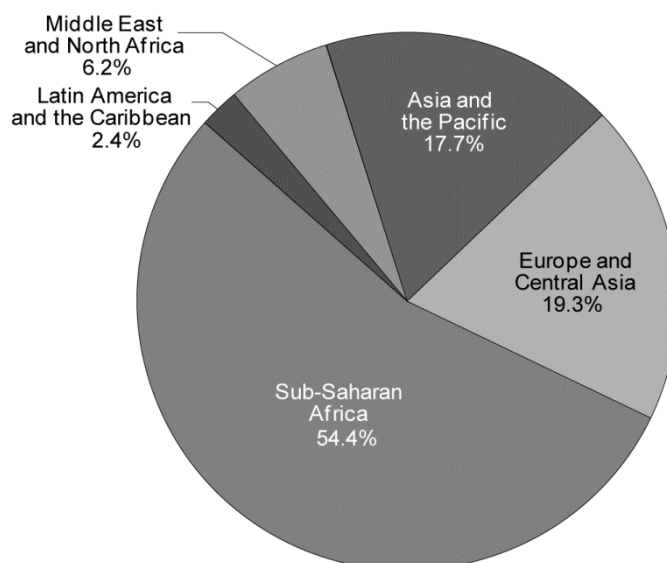
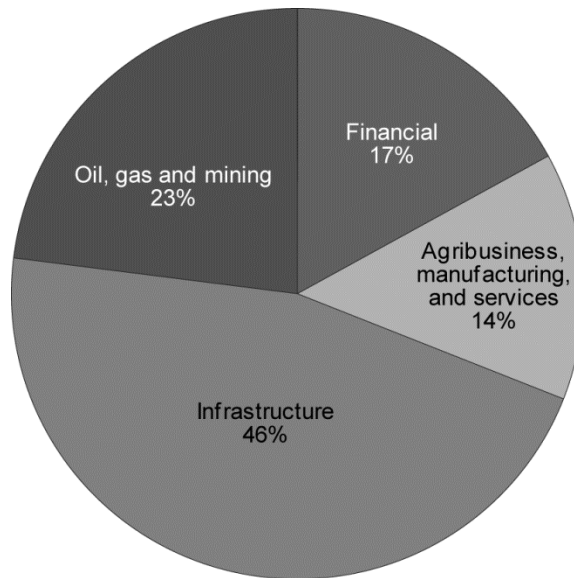




Chart 10
New MIGA Risk Guarantees Issued by Sector, 2013
(% share of US\$2.8 billion)



ICSID—International Centre for Settlement of Investment Disputes

ICSID at a Glance

- Established: 1966
- Members: 149 full members; 157 signatories
- Mission: Facility to resolve international investment disputes

ICSID, established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, provides facilities for conciliation and arbitration of investment disputes between member countries and foreign investors. Canada signed the convention in 2006, but is not yet a member as it has not yet ratified the convention. ICSID membership would provide Canadian investors with an additional mechanism for the resolution of investment disputes pursued under international arbitration.



Compliance with the *Official Development Assistance Accountability Act*

The *Official Development Assistance Accountability Act* came into force on June 28, 2008. The Act lays out three conditions that must be satisfied for international assistance to be considered as official development assistance under the Act. These conditions are that the assistance:

- Contributes to poverty reduction;
- Takes into account the perspectives of the poor; and,
- Is consistent with international human rights standards.

The Act applies to all federal departments providing official development assistance, including that channeled through the World Bank Group.

Ministers must be of the opinion that these conditions have been met in order to report expenditures or investments as Canadian official development assistance. To facilitate transparency in reporting on official development assistance, the Act requires Ministers to report on official development assistance through an annual report to Parliament. These reports can be found on-line at: <http://www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-61295946-JEX>.

Responsible Ministers have determined that the World Bank Group institutions to which the Government of Canada provide funding meet these three tests. In particular:

- IDA is the single largest source of donor funds for basic social services in the poorest countries. IDA credits are allocated based on Country Assistance Strategies, which take into account the perspectives of civil society and potential beneficiaries of IDA funds. IDA is a recognized leader in supporting development objectives that have a clear link to the improvement of human right, such as improving poor people's access to education, health, their participation and decision making, and giving them stronger justice systems.
- IBRD is structured like a cooperative that is owned and operated for the benefit of its 187 member countries, ensuring that those who benefit from its low-cost financing and development expertise have a voice. IBRD's focus on poverty reduction within middle-income countries and creditworthy low-income countries.
- IFC's programs and activities focus on the private sector. As some of the funds invested through IFC are provided on market terms, not all Canadian funding to IFC is reported as ODA. Nonetheless, IFC's poverty reduction mission and Environmental and Social safeguards respect the spirit of the ODA. Additionally, IFC's activities are guided by a Board of Governors and Board of Directors, which include representation from all the poor countries in which IFC invests.



The World Bank Group's Internal Checks and Balances

The World Bank Group has in place several bodies to ensure that its activities are achieving results, are carried out with integrity, and are working for the benefit of the vulnerable and disadvantaged in developing countries.

The Independent Evaluation Group (IEG)

IEG is an independent unit within the World Bank Group reporting directly to the Bank's Executive Board. It assesses the development impact of IBRD, IDA, IFC and MIGA programs, aiming to provide an objective assessment of their work, create accountability in the achievement of the Bank's objectives and ensure that the Bank learns from its experiences. Its reports are available on the World Bank website (<http://www.worldbank.org/ieg>).

Internal Audit Department

The Internal Audit Department's work primarily focuses on determining whether the World Bank Group's risk management, control and governance processes provide reasonable assurance that: significant financial, managerial and operating information is accurate, reliable and timely; resources are acquired economically and used efficiently; assets are safeguarded; actions of the organization are in compliance with policies, procedures, contracts, and applicable laws and regulations; and significant programs, plans and business objectives will be achieved.

The Inspection Panel

The primary purpose of the Inspection Panel is to address the concerns of people who may be affected by IBRD and IDA projects and to ensure that the Bank adheres to its operational policies and procedures during the design, preparation and implementation phases of projects. The Panel is appointed by and reports directly to the Executive Board. More information on the Panel is available on the World Bank website (<http://www.worldbank.org/inspectionpanel>).

Compliance Advisor Ombudsman (CAO)

The Office of the CAO is committed to enhancing the development impact and sustainability of IFC and MIGA projects by responding quickly and effectively to complaints from affected communities. It also supports IFC and MIGA in improving the social and environmental outcomes of their work and fostering a high level of accountability. The CAO's annual report can be accessed on its website (<http://www.cao-ombudsman.org/publications>).

Department of Institutional Integrity (INT)

INT investigates allegations of fraud and corruption in World Bank Group operations as well as allegations of staff misconduct, and reports its findings directly to the President. INT also assists in preventative efforts to protect World Bank Group funds and ensure they are used for intended purposes. In 2012, the World Bank Group sanctioned 83 entities. More information on INT can be found on the World Bank website (<http://go.worldbank.org/036LY1EJJ0>).



Canada's Capital Subscriptions and Shareholding

The World Bank Group is governed by member countries, each of which owns shares of the agencies that make up the World Bank Group. Decision-making power is primarily exercised by countries through their Governor and Executive Director, depending on the nature of the decision, and during negotiations on capital increases and fund replenishments.

Canada is among the top 10 shareholders at the World Bank Group, having contributed a total of US\$7.2 billion in capital subscriptions to IBRD, IFC and MIGA and US\$10.2 billion in contributions to IDA. Canada's voting power ranges from 2.5 per cent to 3.23 per cent within the Bank's different institutions.

In March 2013, Canada completed its share subscription commitments made as part of a concerted global effort to address the global economic and financial crisis, including increased World Bank Group financial support for borrower countries. This is described in the section below on Canada's financial contributions to the World Bank Group.

Table 6

Canada's Capital Subscriptions, 2013

(US\$ millions, unless otherwise indicated)

| | IBRD | IDA | IFC | MIGA |
|--|---------|---------------------|------|------|
| Capital subscriptions and contributions | 7,039.5 | 10,228 ¹ | 81.3 | 56.5 |
| Amount paid in | 433.1 | 10,228 ¹ | 81.3 | 10.7 |
| Amount not paid in but contingent on future capital requirements | 6,606.5 | – | – | 45.8 |
| Subscription share (%) | 3.15 | 4.56 | 3.38 | 2.95 |
| Voting power (%) | 3.01 | 2.58 | 3.23 | 2.50 |

¹ Represents Canada's cumulative contributions and commitments made through the 16th replenishment of IDA.

Note: Figures are from the 2012 financial statements and annual reports for the World Bank, IFC and MIGA.

Voting power at the Bank is mainly a function of the shareholdings held by a country, which in effect means that voting power reflects the relative economic strength of individual members. A small share of a member's voting power is also determined by basic votes, which are distributed equally among all members. At the end of 2010, new shareholding and voting reforms were agreed for IBRD, which will result in a shift in voting shares in favour of developing countries and emerging economies as member states subscribe to the general and special capital increases. As these voice reforms are implemented, Canada is expected to fall from the 7th largest to the 11th largest shareholder, allowing greater voice and recognition of certain major emerging market countries.

Canada's Governor at the World Bank Group

Each member appoints a Governor to represent it on the Board of Governors, the highest authority governing the World Bank Group. Canada's Governor is the Minister of Finance, the Honourable James M. Flaherty.

The Governors are responsible for core institutional decisions, such as admitting or suspending members, increasing or decreasing the Bank's authorized capital stock, determining the distribution of net income, and reviewing financial statements and budgets.



The Board of Governors is asked to vote on a number of resolutions throughout the year. Canada's positions on resolutions taken in the period January 1, 2012 to June 30, 2013 are shown below.

Voting Record of the Canadian Governor (January 1, 2012 – June 30, 2013)

In May 2012, Canada supported amending the Board of Governors resolution no. 294 on the Establishment of the Joint Ministerial Development Committee.

In May 2012, Canada supported transferring US\$55 million from the IBRD surplus to replenish the Trust Fund for Gaza and West Bank.

In July 2012, Canada re-nominated Marie-Lucie Morin as Canada's candidate for the 2012 election of Executive Directors.

In July 2012, Canada supported resolution no. 624 related to the Regular Election of Executive Directors.

In July 2012, Canada voted against a proposed salary increase for Executive Directors and their Alternates, citing the need to contain expenditure increases at the institution in light of the economic circumstances facing member countries. The proposed increase did not receive the required support to pass.

In September 2012, Canada voted to approve Peru as the host of the 2015 IMF-World Bank Annual Meetings, to take place October 9-11 in Lima.

In February 2013, Canada supported Romania's membership request to join IDA.

In May 2013, Canada supported transferring US\$55 million from the IBRD surplus to replenish the Trust Fund for Gaza and West Bank.

By virtue of Canada's significant shareholding, its Governor is also accorded a seat at the Development Committee of the Boards of Governors of the World Bank and IMF, which meets twice a year, at the Spring Meetings and the Annual (Fall) Meetings. In 2012–13, the Governor tabled three Development Committee statements on behalf of Canada's constituency, comprising Antigua and Barbuda, the Bahamas, Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines, on April 20, 2013 in Washington, D.C., on October 13, 2012 in Tokyo, Japan, and on April 21, 2012 in Washington, D.C.

The Canadian Executive Director at the World Bank Group

Governors delegate responsibility for the day-to-day running of the organization to 25 full-time Executive Directors, located at the Bank's headquarters in Washington, D.C. Executive Directors are appointed for two years. They each represent a constituency, which can include more than one country. Canada's Executive Director, Marie-Lucie Morin, represents Canada's constituency. Governments within the constituency provide advice to the Executive Director on issues discussed at the Executive Board. The Executive Director considers this advice in forming her positions and applies her own judgment as an officer of the World Bank Group.

The Executive Board usually makes decisions by consensus. In the event of a formal vote, however, the relative voting power of individual Executive Directors is based on the shares held by the constituencies they represent.



Shareholders typically raise serious questions or concerns about specific Bank operations before they get to the Executive Board. In addition, Executive Directors may abstain or vote against projects or policies in consultation with their constituencies. In 2012–13, the Executive Director representing Canada supported all policies and projects approved by the Board, with three exceptions.

Voting Record of the Executive Director Representing Canada in 2012–13

(Only oppositions or abstentions listed)

In June 2012, the Canadian Executive Director abstained on the proposal to increase World Bank Group staff compensation on the basis that we need a comprehensive human resources policy framework that takes into consideration other human resources factors, institutional considerations and externalities.

In November 2012, the Canadian Executive Director abstained on a proposed IFC investment in ABS-Sisak for the Danieli Croatia Project.

In June 2013, the Canadian Executive Director opposed the proposal to increase World Bank Group staff compensation on the basis that a comprehensive human resources policy framework that takes into consideration other human resources factors, institutional considerations and externalities is needed.

Members of the Executive Director's Office at the World Bank (as at June 30, 2013)

| | |
|------------------------------|---|
| Executive Director | Marie-Lucie Morin (Canada) |
| Alternate Executive Director | Janet Victoria Harris (Saint Kitts and Nevis) |
| Senior Advisor | Eamonn Kearns (Ireland) |
| Senior Advisor | Ian MacDonald (Canada) |
| Senior Advisor | Jonathan Rothschild (Canada) |
| Advisor | Niall Cassidy (Ireland) |
| Advisor | Andrew Clark (Canada) |
| Advisor | Laura Dorling (Canada) |
| Advisor | Louisa Pang (Canada) |
| Advisor | Kevin Silston (Antigua and Barbuda) |
| Executive Assistant | Anne Turcotte (Canada) |
| Program Assistant | Kimani James (Grenada) |



Canada's Financial Contributions to the World Bank Group in 2012–13

Canada is an important provider of funding for the World Bank Group. In 2012–13, Canada made the following contributions:

IBRD Capital Increase: US\$1,635,689,965 (US\$ 98,141,398 in paid-in Capital)

In 2010, the members of the World Bank Group agreed to increase IBRD capital by more than US\$86 billion in order to support greater volumes of lending to middle-income countries and to increase the voting power and representation of developing and transition countries. This new capital was to be contributed over a five-year period. Canada's share of this capital increase is approximately US\$1.6 billion.

During the reporting period of January 1, 2012 to June 30, 2013, Canada subscribed to 13,559 additional shares of capital stock of the IBRD, as authorized by the Board of Governors' resolutions on general and selective capital increases. The increase in the capital stock of the Bank was made effective as Canada made the required payments in two tranches:

Canada's Capital Stock at IBRD

| | Number of Shares | Paid-in Capital (US\$) | Callable Capital (US\$) | Total Capital (US\$) |
|--|------------------|------------------------|-------------------------|----------------------|
| Before general capital increase/selective capital increase | 44,795 | 334,934,030 | 5,068,910,795 | 5,403,844,825 |
| Tranche 1 (March 15 and March 30, 2012) | 7,914 | 57,288,000 | 897,423,067 | 954,705,390 |
| Tranche 2 (March 27, 2013) | 5,645 | 40,853,398 | 640,125,501 | 680,984,575 |
| Total | 58,354 | 433,075,428 | 6,606,459,362 | 7,039,534,790 |

IDA Contribution: \$883,230,000

IDA is the World Bank's principal financing tool for the world's poorest countries, providing them with interest-free loans and grants. IDA allocates its resources primarily through a performance-based allocation mechanism, which includes measures of a country's social inclusion (e.g. social protection, gender equality) and governance. The higher countries rate on these indicators, the more IDA resources they can receive.

During the reporting period of January 1, 2012 to June 30, 2013, Canada provided \$883.2 million to IDA—\$441.6 million in each of 2012 and 2013—as agreed under the IDA16 replenishment. This contribution supports IDA's efforts to enhance aid effectiveness, finance large regional projects such as infrastructure projects, and provide special assistance for fragile states such as Afghanistan and Haiti, while ensuring countries do not take on unsustainable levels of debt.

The 17th replenishment of IDA has been under negotiation in 2013. In the 2013 Report to Parliament, the Government will report on the outcomes of this negotiation, including its new level of annual commitments and the results that IDA will expect to achieve as a result.



Multilateral Debt Relief Through the World Bank: \$102,400,000

Under the Multilateral Debt Relief Initiative (MDRI), the World Bank, IMF and African Development Fund have agreed to cancel 100 per cent of eligible debts owed by heavily indebted poor countries. At the G-8 Summit in Gleneagles in 2005, Canada and other donor countries agreed to fully compensate these institutions for the debts they will cancel on behalf of poor countries, so as not to undermine their ability to provide new financial support to all low-income countries. Canada's total commitment over the 50-year lifespan of the MDRI is \$2.5 billion and payments are made annually.

During the reporting period of January 1, 2012 to June 30, 2013, Canada provided \$102.4 million to the World Bank Group for the MDRI—\$51.2 million in each of 2012 and 2013.

World Bank Group Trust Funds

Trust funds are an important instrument for channelling donor funding through the World Bank Group to address key strategic development issues at the country, regional or global level. In particular, trust funds leverage bank funding for development programs, particularly in post-disaster and post-conflict situations; enable donor and private sector financiers of development activities to partner with the Bank, consistent with harmonization objectives; build capacity to work in innovative areas; and work with civil society organizations. Trust funds can either be single donor or multi-donor; Canada contributes to both types of trust funds, with the majority of its contributions going to multi-donor trust funds.

Annex 5 provides a list of all trust funds managed through the Department of Foreign Affairs, Trade and Development, unless otherwise indicated.



Annex 5 Canadian Contributions to World Bank Group Trust Funds

The disbursements listed below are through the Department of Foreign Affairs, Trade and Development, unless otherwise indicated.

Canadian Contributions to World Bank Group Trust Funds

(millions of Canadian dollars)

| Trust Fund | Disbursements Between January 1, 2012 and June 30, 2013 |
|---|---|
| Americas | |
| Entrepreneurship Program for Innovation in the Caribbean | 5.0 |
| Economic Management in the Caribbean | 9.8 |
| The World Bank's Analytical and Advisory Work in the Caribbean | 0.95 |
| Canada-Americas Business Environment Reform (Inter-American) | 5.1 |
| Enhancing the Development Impact of Extractive Industries (Peru) | 4.0 |
| Asia | |
| Skills Training & Enhancement Project (Bangladesh) | 13.8 |
| Strengthening Public Expenditure Management Program (Bangladesh) | 9.8 |
| Support to the Health Sector Development Program (Bangladesh) | 24.0 |
| Parliamentary and Media Support (Bangladesh) | 0.5 |
| Program for Eastern Indonesia SME Assistance (Indonesia) | 3.5 |
| Strengthening Public Financial Management (Indonesia) | 3.0 |
| Transparency in the Extractive Sector (Indonesia) | 1.2 |
| Agribusiness Development (Philippines) | 2.0 |
| Improving Business Climate (Philippines) | 0.7 |
| Reform of the Technical and Vocational Training System (Sri Lanka) | 0.3 |
| Good Governance and Aid Effectiveness—Component III (Vietnam) | 2.5 |
| Poverty Reduction Support Credit (Vietnam) | 3.0 |
| Vietnam Agriculture Sector Competitiveness (Vietnam) | 1.0 |
| Europe, Middle East, Maghreb, Afghanistan and Pakistan | |
| Afghanistan Reconstruction Trust Fund—Recurrent Costs | 16.0 |
| Education Quality Improvement Project (Afghanistan) | 22.0 |
| Mitigating the Impact of the Syrian Displacement in Jordan | 3.0 |
| Micro, Small and Medium Enterprise Technical Assistance Facility (Middle East and Maghreb region) | 3.75 |
| Middle East and North Africa Transition Fund | 15.0 |
| Sub-Saharan Africa | |
| Preparation of Budgets in the Health Sector (Democratic Republic of Congo) | 1.2 |
| Agricultural Growth Program—Support to Multi-Donor Trust Fund (Ethiopia) | 7.6 |
| Investment Climate Improvements Program (Ethiopia) | 2.5 |
| Women Entrepreneurship Development Program (Ethiopia) | 3.5 |
| Country Planning and Analysis Fund (Ethiopia) | 0.1 |
| Joint Governance Assessment and Measurement (Ethiopia) | 0.4 |
| Productive Safety Net Program 2013–2017 (Ethiopia) | 0.4 |
| Land Administration Project—Phase II (Ghana) | 3.0 |
| Multisectoral Support to Nutrition Activities and Policy (Malawi) | 13.5 |
| Health Service Delivery Program (Mozambique) | 9.7 |



Canadian Contributions to World Bank Group Trust Funds (cont'd)

(millions of Canadian dollars)

| | |
|---|-----------------|
| Mining Sector Reform (Nigeria) | 0.8 |
| Support to the African Capacity Building Foundation—Phase III | 8.0 |
| Association for Strengthening Agricultural Research in Eastern and Central Africa—II | 2.4 |
| Support to Agricultural Research in West and Central Africa—II | 2.0 |
| Forum for Agricultural Research in Africa—Phase III; Forum for Agricultural Research in Africa III—Monitoring | 4.0 |
| Regional HIV/AIDS Partnership Program (Southern and Eastern Africa sub region) | 4.0 |
| African Program for Onchocerciasis Control—Phase III (Regional) | 3.6 |
| Support to Agricultural Research in West and Central Africa—I (Regional) | 4.0 |
| Learning on Gender and Conflict in Africa (Regional) | 3.3 |
| Land Husbandry, Water Harvesting and Hillside Irrigation Project (Rwanda) | 5.0 |
| Support for the Education Sector—Strengthening Capacity at the Local Level (Senegal) | 3.0 |
| Support for the Education Sector—Poverty, Inequality and Gender Analysis (Senegal) | 0.1 |
| Technical Assistance Envelope (Tanzania) | 0.5 |
| Global Initiatives and Strategic Policy | |
| Global Partnership for Education | 45.4 |
| Global Fund to Fight AIDS, Tuberculosis and Malaria | 360.0 |
| Affordable Medicine Facility for Malaria | 40.0 |
| Advance Market Commitment for Pneumococcal Vaccines (II) | 24.4 |
| Consultative Group on International Agricultural Research—Institutional Support | 30.0 |
| Agriculture for Improved Nutrition and Health | 20.0 |
| Canada—International Finance Corporation Fund | 20.0 |
| Extractive Industries Technical Advisory Facility | 10.0 |
| Extractive Industries Transparency Initiative | 10.0 |
| Facility for Investment Climate Advisory Services | 1.0 |
| Conflict-Affected and Fragile Economies Facility | 20.0 |
| Clean Technology Fund | 200.0 |
| Forest Carbon Partnership Facility—Carbon Fund | 5.0 |
| Global Agriculture and Food Security Program | 25.0 |
| Open Aid Partnership | 1.0 |
| AgResults Initiative ¹ | 19.0 |
| Climate Catalyst Fund ¹ | 60.3 |
| Consultative Group on International Agricultural Research—Canada Linkage Fund | 0.45 |
| <i>World Development Report 2014—Managing Risk for Development</i> | 0.20 |
| <i>World Development Report 2013—Jobs</i> | 0.20 |
| Aid for Trade Initiative—World Bank Trade Facilitation Facility | 0.80 |
| Consultative Group to Assist the Poor | 0.50 |
| Support to the Donor Committee for Enterprise Development Trust Fund | 0.09 |
| Agricultural Science and Technology Indicators | 0.23 |
| Total | 1,126.10 |

¹ Disbursements for these funds were made through the Department of Finance.

Sources: Department of Foreign Affairs, Trade and Development; CFO-Stats.



Annex 6

Operational Highlights and Key Financial Indicators for the World Bank Group for Fiscal Year 2012–13

International Bank for Reconstruction and Development

(millions of US dollars)

| | FY2012 | FY2013 |
|--|---------|---------|
| Administrative expenses | 1,764 | 1,908 |
| Operating income | 783 | 876 |
| Total assets | 338,178 | 324,367 |
| Fiscal-year commitments | 20,582 | 15,249 |
| Gross disbursements | 19,777 | 16,030 |
| Undisbursed loans | 62,916 | 62,306 |
| Principal repayments including prepayments | 11,979 | 9,478 |
| Net disbursements | 7,795 | 6,352 |
| Equity-to-loans ratio (per cent) | 26.98 | 26.78 |

Source: Draft IBRD financial statements (2013).

International Development Association

(millions of US dollars)

| | FY2012 | FY2013 |
|---------------------------------|---------|---------|
| Net income | -210 | -1,752 |
| Development credits outstanding | 123,576 | 125,135 |
| Fiscal-year commitments | 14,753 | 16,298 |
| Gross disbursements | 11,061 | 11,228 |
| Principal repayments | 3,041 | 3,822 |
| Net disbursements | 7,037 | 7,371 |

Source: Draft IDA financial statements (2013).

International Finance Corporation

(millions of US dollars)

| | FY2012 | FY2013 |
|----------------------------------|--------|--------|
| Administrative expenses | 798 | 845 |
| Net income | 1,658 | 1,350 |
| Total assets | 75,761 | 77,525 |
| Committed portfolio | 45,277 | 49,584 |
| Fiscal-year commitments | 20,358 | 24,853 |
| Number of projects | 576 | 612 |
| Loan and equity investments, net | 31,438 | 34,677 |

Sources: Draft IFC Annual Report (2013) and IFC financial statements (2013).



Multilateral Investment Guarantee Agency

(millions of US dollars)

| | FY2012 | FY2013 |
|---|--------|--------|
| Administrative and other expenses | 44 | 47 |
| Operating income | 18 | 19 |
| Total assets | 1,622 | 1,849 |
| Statutory underwriting capacity | 13,093 | 13,897 |
| Fiscal-year guarantees issued | 2,657 | 2,781 |
| Number of new contracts issued | 66 | 47 |
| Net exposure | 6,262 | 6,410 |
| Return on operating capital, before provisions (per cent) | 3.8 | 4.5 |

Source: Draft MIGA financial statements (2013).



Annex 7

IBRD Loans and IDA Credits—Summary Statistics for Fiscal Year 2013

(millions of US dollars)

| | IBRD Amount | IDA Amount | Total Amount |
|--|-----------------|-----------------|-----------------|
| By Region | | | |
| Africa | 42.0 | 8,203.4 | 8,245.4 |
| East Asia and Pacific | 3,660.5 | 2,586.0 | 6,246.5 |
| Europe and Central Asia | 4,591.2 | 728.5 | 5,319.7 |
| Latin America and the Caribbean | 4,769.2 | 435.0 | 5,204.2 |
| Middle East and North Africa | 1,808.6 | 249.0 | 2,057.6 |
| South Asia | 377.7 | 4,096.3 | 4,474.0 |
| Total | 15,249.2 | 16,298.2 | 31,547.3 |
| By Theme | | | |
| Economic Management | | | 484 |
| Environment and Natural Resources Management | | | 2,470 |
| Financial and Private Sector Development | | | 4,380 |
| Human Development | | | 4,348 |
| Public Sector Governance | | | 3,790 |
| Rule of Law | | | 590 |
| Rural Development | | | 4,651 |
| Social Development, Gender, and Inclusion | | | 1,310 |
| Social Protection and Risk Management | | | 3,956 |
| Trade and Integration | | | 2,707 |
| Urban Development | | | 2,861 |
| Total | | | 31,547 |
| By Sector | | | |
| Agriculture, Fishing, and Forestry | | | 2,112 |
| Education | | | 2,731 |
| Energy and Mining | | | 3,280 |
| Finance | | | 2,055 |
| Health and Other Social Services | | | 4,363 |
| Industry and Trade | | | 1,432 |
| Information and Communications | | | 228 |
| Public Administration, Law, and Justice | | | 7,991 |
| Transportation | | | 5,135 |
| Water, Sanitation, and Flood Protection | | | 2,220 |
| Total | | | 31,547 |
| Of which IBRD | | | 15,249 |
| Of which IDA | | | 16,298 |

Note: Numbers may not add due to rounding.



Annex 8

Projects Approved for IBRD and IDA Assistance in Fiscal Year 2013

(millions of US dollars)

| Region and Country | IBRD | | IDA | | Total | |
|-------------------------------|----------|-----------|-----------|--------------|-----------|--------------|
| | No. | Amount | No. | Amount | No. | Amount |
| Africa | | | | | | |
| Africa (regional) | | | 8 | 1,470 | 8 | 1,470 |
| Benin | | | 3 | 92 | 3 | 92 |
| Burkina Faso | | | 5 | 285 | 5 | 285 |
| Burundi | | | 2 | 50 | 2 | 50 |
| Cameroon | | | 2 | 158 | 2 | 158 |
| Cape Verde | 1 | | | 19 | 1 | 19 |
| Chad | | | 1 | 15 | 1 | 15 |
| Comoros | | | 2 | 8 | 2 | 8 |
| Congo, Democratic Republic of | | | 4 | 532 | 4 | 532 |
| Côte d'Ivoire | | | 1 | 60 | 1 | 60 |
| Ethiopia | | | 3 | 1,115 | 3 | 1,115 |
| Ghana | | | 2 | 155 | 2 | 155 |
| Guinea | | | 2 | 30 | 2 | 30 |
| Kenya | | | 4 | 615 | 4 | 615 |
| Lesotho | | | 2 | 32 | 2 | 32 |
| Liberia | | | 4 | 105 | 4 | 105 |
| Madagascar | | | 2 | 167 | 2 | 167 |
| Malawi | | | 4 | 200 | 4 | 200 |
| Mali | | | 3 | 140 | 3 | 140 |
| Mauritania | | | 1 | 30 | 1 | 30 |
| Mauritius | 2 | 35 | | | 2 | 35 |
| Mozambique | | | 6 | 337 | 6 | 337 |
| Niger | | | 4 | 140 | 4 | 140 |
| Nigeria | | | 6 | 1,015 | 6 | 1,015 |
| Rwanda | | | 3 | 160 | 3 | 160 |
| São Tomé and Príncipe | | | 1 | 6 | 1 | 6 |
| Senegal | | | 3 | 160 | 3 | 160 |
| Seychelles | 1 | 7 | | | 1 | 7 |
| South Sudan | | | 2 | 71 | 2 | 71 |
| Tanzania | | | 5 | 606 | 5 | 606 |
| Togo | | | 1 | 14 | 1 | 14 |
| Uganda | | | 3 | 262 | 3 | 262 |
| Zambia | | | 2 | 155 | 2 | 155 |
| Total | 4 | 42 | 91 | 8,203 | 95 | 8,245 |



Projects Approved for IBRD and IDA Assistance in Fiscal Year 2013 (cont'd)

(millions of US dollars)

| Region and Country | IBRD | | IDA | | Total | |
|--|-----------|--------------|-----------|--------------|-----------|--------------|
| | No. | Amount | No. | Amount | No. | Amount |
| East Asia and Pacific | | | | | | |
| China | 14 | 1,540 | | | 14 | 1,540 |
| Indonesia | 9 | 1,721 | | | 9 | 1,721 |
| Kiribati | | | 1 | 1 | 1 | 1 |
| Lao People's Democratic Republic | | | 5 | 71 | 5 | 71 |
| Marshall Islands | | | 1 | 3 | 1 | 3 |
| Myanmar | | | 2 | 520 | 2 | 520 |
| Papua New Guinea | | | | 7 | | 7 |
| Philippines | 2 | 400 | | | 2 | 400 |
| Tonga | | | 1 | 2 | 1 | 2 |
| Vietnam | | | 12 | 1,982 | 12 | 1,982 |
| Total | 25 | 3,661 | 22 | 2,586 | 47 | 6,247 |
| Europe and Central Asia | | | | | | |
| Albania | 1 | 40 | | | 1 | 40 |
| Armenia | 2 | 75 | 2 | 47 | 4 | 122 |
| Azerbaijan | 2 | 297 | | | 2 | 297 |
| Belarus | 1 | 90 | | | 1 | 90 |
| Bosnia and Herzegovina | | | 1 | 34 | 1 | 34 |
| Croatia | 3 | 344 | | | 3 | 344 |
| Georgia | 2 | 70 | 2 | 155 | 4 | 225 |
| Kazakhstan | 1 | 103 | | | 1 | 103 |
| Kosovo | | | 1 | 4 | 1 | 4 |
| Kyrgyz Republic | | | 2 | 37 | 2 | 37 |
| Macedonia, former Yugoslav Republic of | 2 | 252 | | | 2 | 252 |
| Moldova | | | 3 | 80 | 3 | 80 |
| Poland | 1 | 1,308 | | | 1 | 1,308 |
| Romania | 1 | 92 | | | 1 | 92 |
| Russian Federation | 2 | 60 | | | 2 | 60 |
| Serbia, Republic of | 1 | 100 | | | 1 | 100 |
| Tajikistan | | | 3 | 56 | 3 | 56 |
| Turkey | 3 | 1,301 | | | 3 | 1,301 |
| Ukraine | 2 | 460 | | | 2 | 460 |
| Uzbekistan | | | 4 | 315 | 4 | 315 |
| Total | 24 | 4,591 | 18 | 729 | 42 | 5,320 |



Projects Approved for IBRD and IDA Assistance in Fiscal Year 2013 (cont'd)

(millions of US dollars)

| Region and Country | IBRD | | IDA | | Total | |
|--|-----------|---------------|------------|---------------|------------|---------------|
| | No. | Amount | No. | Amount | No. | Amount |
| Latin America and the Caribbean | | | | | | |
| Antigua and Barbuda | 1 | 10 | | | 1 | 10 |
| Bolivia, Plurinational State of | | | 2 | 74 | 2 | 74 |
| Brazil | 11 | 3,076 | | | 11 | 3,076 |
| Colombia | 3 | 600 | | | 3 | 600 |
| Costa Rica | 1 | 200 | | | 1 | 200 |
| Guatemala | 1 | 200 | | | 1 | 200 |
| Haiti | | | 5 | 235 | 5 | 235 |
| Honduras | | | 4 | 75 | 4 | 75 |
| Mexico | 1 | 50 | | | 1 | 50 |
| Nicaragua | | | 2 | 51 | 2 | 51 |
| Panama | 1 | 100 | | | 1 | 100 |
| Peru | 5 | 125 | | | 5 | 125 |
| Uruguay | 4 | 408 | | | 4 | 408 |
| Total | 28 | 4,769 | 13 | 435 | 41 | 5,204 |
| Middle East and North Africa | | | | | | |
| Djibouti | | | 2 | 13 | 2 | 13 |
| Egypt, Arab Republic of | 1 | 585 | | | 1 | 585 |
| Jordan | 1 | 70 | | | 1 | 70 |
| Lebanon | 2 | 60 | | | 2 | 60 |
| Morocco | 4 | 593 | | | 4 | 593 |
| Tunisia | 1 | 500 | | | 1 | 500 |
| Yemen, Republic of | | | 5 | 236 | 5 | 236 |
| Total | 9 | 1,809 | 7 | 249 | 16 | 2,058 |
| South Asia | | | | | | |
| Afghanistan | | | 3 | 168 | 3 | 168 |
| Bangladesh | | | 7 | 1,567 | 7 | 1,567 |
| Bhutan | | | 2 | 45 | 2 | 45 |
| India | 2 | 378 | 7 | 948 | 9 | 1,326 |
| Maldives | | | 1 | 10 | 1 | 10 |
| Nepal | | | 6 | 316 | 6 | 316 |
| Pakistan | | | 5 | 744 | 5 | 744 |
| South Asia (Regional) | | | 1 | 99 | 1 | 99 |
| Sri Lanka | | | 1 | 200 | 1 | 200 |
| Total | 2 | 378 | 33 | 4,096 | 35 | 4,474 |
| Grand total | 92 | 15,249 | 184 | 16,298 | 276 | 31,547 |

Notes: Data include guarantees. Supplemental and additional financing operations (except for projects scaled up through additional financing) are not counted as separate lending operations, although they are included in the amount. Joint IBRD-IDA operations are counted only once as IBRD operations. A blank space indicates zero.

Source: World Bank Group.



Annex 9 World Bank Group Procurement From Canada

Disbursements by IBRD and IDA Borrowers:

Goods and Services From Canada

(millions of US dollars)

| By World Bank Fiscal Year (July 1 – June 30) | Amount |
|--|--------|
| 2006–07 | 51.9 |
| 2007–08 | 58.8 |
| 2008–09 | 50.8 |
| 2009–10 | 77.5 |
| 2010–11 | 44.8 |
| 2011–12 | 27.9 |
| 2012–13 | 40.2 |

Note: Based on World Bank figures as of July 10, 2013.

Disbursements by IBRD and IDA Borrowers:

Suppliers of Goods and Services From Canada

(US dollars)

| Supplier | FY | Sector | Category | ID | Amount |
|--|------|-----------------|---------------------|---------|-----------|
| CIMA International | 2012 | Agriculture | Consultant Services | P126440 | 365,400 |
| Hatfield Consultants Partnership | 2012 | Agriculture | Consultant Services | P122975 | 387,965 |
| Walter Management Services | 2012 | Education | Goods | P097141 | 33,975 |
| Jana Orac | 2012 | Education | Consultant Services | P107774 | 44,470 |
| David A. Lynn | 2012 | Education | Consultant Services | P102174 | 64,520 |
| Éducation internationale | 2012 | Education | Consultant Services | P084317 | 186,986 |
| Walid El-Madhoun | 2012 | Education | Consultant Services | P102117 | 193,544 |
| Louis-Philippe Lavoie | 2012 | Energy & mining | Consultant Services | P078131 | 17,500 |
| Pierre Baillergeon | 2012 | Energy & mining | Consultant Services | P078131 | 70,492 |
| Intelecon Research & Consultancy Ltd. | 2012 | Energy & mining | Consultant Services | P112334 | 110,536 |
| SNC-Lavalin International Inc. | 2012 | Energy & mining | Consultant Services | P102031 | 274,089 |
| AECOM Consultants Inc. | 2012 | Energy & mining | Consultant Services | P079633 | 334,944 |
| SNC-Lavalin International Inc. | 2012 | Energy & mining | Consultant Services | P103037 | 342,151 |
| Intelecon Research & Consultancy Ltd. | 2012 | Energy & mining | Consultant Services | P112334 | 420,094 |
| MDFC International Inc. (Canada) | 2012 | Energy & mining | Consultant Services | P104456 | 452,385 |
| RSW International Inc. | 2012 | Energy & mining | Consultant Services | P112573 | 523,508 |
| RSW International Inc. | 2012 | Energy & mining | Consultant Services | P112573 | 552,510 |
| Manitoba Hydro International | 2012 | Energy & mining | Consultant Services | P097818 | 699,031 |
| SNC-Lavalin Group and CETRA | 2012 | Energy & mining | Consultant Services | P079633 | 911,566 |
| Manitoba Hydro International | 2012 | Energy & mining | Consultant Services | P097201 | 1,167,706 |
| AECOM Consultants Inc./Sogreah-Artelia | 2012 | Energy & mining | Consultant Services | P116941 | 1,714,400 |
| AECOM Consultants Inc. | 2012 | Energy & mining | Consultant Services | P049395 | 5,955,627 |
| Jacques Bussieres | 2012 | Finance | Consultant Services | P088759 | 41,000 |
| MJ Southworth Consulting Limited | 2012 | Finance | Consultant Services | P125595 | 233,892 |
| Carlos Alba Prado | 2012 | Finance | Consultant Services | P083250 | 243,000 |
| Insurance Systems Inc. | 2012 | Finance | Consultant Services | P117069 | 986,904 |



**Disbursements by IBRD and IDA Borrowers:
Suppliers of Goods and Services From Canada** (cont'd)

(US dollars)

| Supplier | FY | Sector | Category | ID | Amount |
|--|------|----------------------|---------------------|---------|-----------|
| Stephen Kenny | 2012 | Health & social serv | Consultant Services | P082814 | 104,978 |
| Centre hospitalier affilié universitaire de Québec | 2012 | Health & social serv | Consultant Services | P096056 | 105,813 |
| Yvan Conoir | 2012 | Health & social serv | Consultant Services | P078658 | 111,903 |
| Tatyana Nychyperovych | 2012 | Health & social serv | Consultant Services | P086313 | 261,900 |
| Groupe Consultation CCISD and NGO Songes | 2012 | Health & social serv | Consultant Services | P088751 | 808,532 |
| Michel Blouin | 2012 | Info & communication | Consultant Services | P113370 | 75,847 |
| Enterprise Systems and Solutions Group | 2012 | Info & communication | Consultant Services | P094103 | 107,920 |
| Andrew Dymond | 2012 | Info & communication | Consultant Services | P111432 | 155,707 |
| Manmohan Rupria | 2012 | Public admin, Law | Consultant Services | P114922 | 19,800 |
| Helen Baryauga | 2012 | Public admin, Law | Consultant Services | P124102 | 29,352 |
| Gaston Gohou | 2012 | Public admin, Law | Consultant Services | P090265 | 51,310 |
| Jacques Leduc | 2012 | Public admin, Law | Consultant Services | P090265 | 58,065 |
| Pradeep Aggarwal | 2012 | Public admin, Law | Consultant Services | P108787 | 59,119 |
| Nizar Alibhai | 2012 | Public admin, Law | Consultant Services | P120122 | 59,467 |
| Roger Christen | 2012 | Public admin, Law | Consultant Services | P083351 | 97,762 |
| Serge A. Bouchard | 2012 | Public admin, Law | Consultant Services | P104041 | 138,391 |
| IDEA International | 2012 | Public admin, Law | Consultant Services | P110722 | 165,000 |
| Larisa Shavinina | 2012 | Public admin, Law | Consultant Services | P115396 | 170,121 |
| Walid El-Madhoun | 2012 | Public admin, Law | Consultant Services | P115396 | 176,670 |
| David McKillop | 2012 | Public admin, Law | Consultant Services | P092484 | 201,895 |
| GENINOV | 2012 | Public admin, Law | Consultant Services | P120895 | 210,000 |
| Carlos Alba Prado | 2012 | Public admin, Law | Consultant Services | P083250 | 243,000 |
| CRC Sogema | 2012 | Public admin, Law | Consultant Services | P101322 | 255,700 |
| Stephen F. Crout | 2012 | Public admin, Law | Consultant Services | P092484 | 287,522 |
| Groupe Consultation CCISD and NGO Songes | 2012 | Public admin, Law | Consultant Services | P088751 | 1,027,866 |
| Groupe Consultation CCISD and NGO Songes | 2012 | Public admin, Law | Consultant Services | P088751 | 1,122,777 |
| Groupe Consultation CCISD and NGO Songes | 2012 | Public admin, Law | Consultant Services | P088751 | 1,342,036 |
| FreeBalance Inc. | 2012 | Public admin, Law | Consultant Services | P108069 | 2,270,710 |
| INRO Consultants Inc. | 2012 | Transportation | Consultant Services | P034038 | 15,755 |
| Dr. Donath Mrawira | 2012 | Transportation | Consultant Services | P119720 | 86,300 |
| International Civil Aviation Organization | 2012 | Transportation | Consultant Services | P120895 | 100,000 |
| IBI Group | 2012 | Transportation | Consultant Services | P100589 | 232,620 |
| Peter Rae | 2012 | Water/sanit/fld prot | Consultant Services | P093806 | 95,700 |
| Stanislaw Pietruszczak | 2012 | Water/sanit/fld prot | Consultant Services | P086768 | 113,200 |
| Roche | 2012 | Water/sanit/fld prot | Consultant Services | P103881 | 445,124 |
| ESD China Limited | 2012 | Water/sanit/fld prot | Consultant Services | P114107 | 811,837 |
| Eduardo Quiroga | 2013 | Agriculture | Consultant Services | P130474 | 53,403 |
| Aliou Diop | 2013 | Agriculture | Consultant Services | P084787 | 88,000 |



**Disbursements by IBRD and IDA Borrowers:
Suppliers of Goods and Services From Canada (cont'd)**
(US dollars)

| Supplier | FY | Sector | Category | ID | Amount |
|--|------|----------------------|---------------------|---------|-----------|
| CIMA International | 2013 | Agriculture | Consultant Services | P126440 | 562,362 |
| GENINOV | 2013 | Agriculture | Goods | P113623 | 1,924,079 |
| Jacques Plante | 2013 | Education | Consultant Services | P116384 | 37,285 |
| Willie Clarke-Okah | 2013 | Education | Consultant Services | P116521 | 71,280 |
| Walter Management Services | 2013 | Education | Goods | P097141 | 75,700 |
| Beauchemin International | 2013 | Education | Consultant Services | P098956 | 867,991 |
| Beauchemin International | 2013 | Education | Goods | P086294 | 1,932,000 |
| Paterson, Grant & Watson Limited | 2013 | Energy & mining | Consultant Services | P122153 | 66,300 |
| Spectrum Technologies Ltd. | 2013 | Energy & mining | Goods | P120040 | 87,531 |
| Jacques Corbin | 2013 | Energy & mining | Consultant Services | P097974 | 120,058 |
| Exp International Services Inc. | 2013 | Energy & mining | Consultant Services | P099460 | 122,573 |
| Ilan Dunsy, international lawyer | 2013 | Energy & mining | Consultant Services | P104456 | 155,816 |
| Econoler Group and Egis BCEOM International | 2013 | Energy & mining | Consultant Services | P112573 | 179,634 |
| OPTEC Energy Services Inc. | 2013 | Energy & mining | Consultant Services | P078383 | 368,250 |
| Manitoba Hydro International | 2013 | Energy & mining | Consultant Services | P120660 | 999,076 |
| Alan Curd | 2013 | Finance | Consultant Services | P090673 | 26,503 |
| Stanislaw Manikowski | 2013 | Finance | Consultant Services | P096439 | 48,400 |
| Carlos Alba Prado | 2013 | Finance | Consultant Services | P083250 | 82,875 |
| Western World Consultants | 2013 | Health & social serv | Consultant Services | P122944 | 422,178 |
| Groupe Consultation CCISD | 2013 | Health & social serv | Consultant Services | P116167 | 428,196 |
| University of Canada | 2013 | Health & social serv | Consultant Services | P102299 | 555,180 |
| Consortium for International Development in Education | 2013 | Industry and trade | Consultant Services | P112975 | 189,425 |
| JBK Développement International | 2013 | Info & communication | Consultant Services | P071443 | 118,174 |
| Edgardo Sepulveda | 2013 | Info & communication | Consultant Services | P117652 | 120,025 |
| Gérard Verger | 2013 | Public admin, Law | Consultant Services | P090265 | 33,548 |
| Jacques Leduc | 2013 | Public admin, Law | Consultant Services | P090265 | 43,133 |
| Gilles Gauvreau | 2013 | Public admin, Law | Consultant Services | P090265 | 43,870 |
| Crispin Pemberton Pigott | 2013 | Public admin, Law | Consultant Services | P122320 | 67,530 |
| International Federation of Customs Brokers | 2013 | Public admin, Law | Consultant Services | P101750 | 76,610 |
| Tony Andrierson | 2013 | Public admin, Law | Consultant Services | P112713 | 98,901 |
| IDEA International | 2013 | Public admin, Law | Consultant Services | P122476 | 140,677 |
| Frank Williams | 2013 | Public admin, Law | Consultant Services | P096931 | 147,650 |
| Intelcan Technosystems Inc. | 2013 | Public admin, Law | Goods | P083751 | 1,126,792 |
| Cowater International Inc. | 2013 | Public admin, Law | Consultant Services | P127040 | 1,700,000 |
| Prosper Biabio | 2013 | Transportation | Consultant Services | P087004 | 31,910 |
| Exp International Services Inc. | 2013 | Transportation | Consultant Services | P111548 | 145,795 |
| CIMA International | 2013 | Transportation | Consultant Services | P092537 | 172,350 |
| International Air Transport Association | 2013 | Transportation | Consultant Services | P092537 | 189,500 |
| CIMA International | 2013 | Transportation | Consultant Services | P092537 | 244,100 |
| AECOM Consultants Inc. | 2013 | Transportation | Consultant Services | P092537 | 432,243 |



**Disbursements by IBRD and IDA Borrowers:
Suppliers of Goods and Services From Canada** (*cont'd*)

(US dollars)

| Supplier | FY | Sector | Category | ID | Amount |
|---------------------------------------|------|----------------------|---------------------|---------|-----------|
| AECOM Consultants Inc. | 2013 | Transportation | Consultant Services | P101745 | 1,192,086 |
| M/S LEA International Ltd., Canada | 2013 | Transportation | Consultant Services | P092837 | 1,218,401 |
| CIMA International | 2013 | Transportation | Consultant Services | P079736 | 4,339,477 |
| Matthew Kleinosky | 2013 | Water/sanit/fld prot | Consultant Services | P084605 | 2,000 |
| SETYM International | 2013 | Water/sanit/fld prot | Consultant Services | P091092 | 33,295 |
| Wahid Madhoun | 2013 | Water/sanit/fld prot | Consultant Services | P110679 | 66,080 |
| Exp International Services Inc. | 2013 | Water/sanit/fld prot | Consultant Services | P119077 | 473,021 |
| Exp International Services Inc. | 2013 | Water/sanit/fld prot | Consultant Services | P119077 | 534,868 |
| Aquatech International Water Services | 2013 | Water/sanit/fld prot | Consultant Services | P054221 | 570,011 |
| Aquatech International Water Services | 2013 | Water/sanit/fld prot | Consultant Services | P072030 | 7,354,404 |
| Habitat for Humanity | 2013 | Water/sanit/fld prot | Consultant Services | P125805 | 9,998,817 |



Annex 10

Communiqués of the International Monetary and Financial Committee of the Board of Governors of the IMF, 2012–13

Washington, D.C.

April 21, 2012

Communiqué of the Twenty-Fifth Meeting of the International Monetary and Financial Committee

Chaired by Mr. Tharman Shanmugaratnam, Deputy Prime Minister of Singapore and Minister for Finance

The global economy is recovering gradually. Since we last met, important policy actions have been taken in the Euro area, both at the national and regional levels, including through an enhancement of the European firewall. Economic indicators in the United States have improved. Emerging market and developing countries on the whole remain a source of strength for the world economy. But more remains to be done. The outlook remains one of moderate growth globally, and risks remain high. We will continue to act collectively to restore confidence, rekindle growth, and create jobs.

- In *advanced economies*, further actions are needed in many countries to achieve credible fiscal consolidation and government debt reduction, while avoiding excessively contractionary fiscal policies. Where conditions permit, automatic fiscal stabilizers should be allowed to operate. In all countries, viable medium-term consolidation strategies should be in place. Monetary policy will need to remain accommodative as long as inflation prospects remain anchored and weak growth persists. The potential impact and cross-border spillovers of such a policy should be closely monitored. Structural reforms to boost potential output and employment are critical, and need further momentum. In the Euro area, continued progress on ensuring debt sustainability, securing financial stability, and undertaking bold structural reforms will be crucial to boosting confidence and productivity, facilitating rebalancing within the monetary union, and promoting strong and balanced growth.
- *Emerging market and developing countries* continue to grow, while facing spillovers from the advanced economies. Ongoing stresses in Europe, high and volatile oil and commodity prices, and large and volatile capital flows pose significant policy challenges. This requires the right balance between attenuating downside risks with appropriate policies to support growth and curbing inflationary pressures. Rapid credit growth in some economies warrants attention. Low-income countries should preserve macroeconomic stability and debt sustainability while pursuing their development objectives and addressing infrastructure gaps to enhance their growth potential. We call on the membership to complete the low-income-country financing package under the Poverty Reduction and Growth Trust through 2014–15, and will consider proposals to ensure its long-term sustainability, by our 2012 Annual Meetings. We call on the Fund to support the efforts of Arab countries in transition with policy advice, technical assistance, and appropriate financing at this historic time; we support these efforts, including through collaboration with the Deauville Partnership, to facilitate economic transition while safeguarding financial stability. We encourage the Fund to enhance attention to small states, especially those that are most vulnerable to external shocks.



- **Global collaboration** is key to sustaining growth everywhere and ensuring stability. Further actions are needed to build on the progress made to date in reducing global imbalances. In general, deficit countries need to continue with their efforts to strengthen national saving while enhancing export competitiveness, and surplus countries need to continue to implement structural reforms to strengthen domestic demand, supported by continued efforts that achieve greater exchange rate flexibility. It is also crucial to press ahead cooperatively in strengthening financial systems by completing and implementing the agreed international financial reform agenda in an internationally consistent and non-discriminatory manner, including in the area of Basel standards, derivatives, and cross-border resolution of financial institutions. In addition, fostering and protecting investment is crucial for the global recovery. We reaffirm our collective responsibility to avoid protectionism in all its forms.

The next *Consolidated Multilateral Surveillance Report* provides an opportunity to assess progress in our efforts.

We will ensure that the IMF has the tools and resources to effectively support the membership and welcome the directions in the *Managing Director's Action Plan*.

- **Resources.** We remain committed to take the necessary actions to secure global financial stability. We welcome the Euro area members' decisions in March to strengthen European firewalls as part of broader reform efforts and the availability of central bank swap lines. Together with the G-20, we have reached agreement to enhance IMF resources for crisis prevention and resolution. This is the result of a broad international cooperative effort that includes a significant number of countries. There are firm commitments to increase resources made available to the IMF by over \$430 billion in addition to the quota increase under the 2010 reform. These resources will be available for the whole membership of the IMF, and not earmarked for any particular region. The resources would be channelled through temporary bilateral loans and note purchase agreements to the IMF's General Resources Account. Should it become necessary to use these resources, adequate risk mitigation features, conditionality, and adequate burden sharing among official creditors would apply, as approved by the IMF Board. This effort, together with the national and regional structural, fiscal, and monetary actions that have been put in place in the past months, shows the commitment of the international community to safeguard global financial stability and put the global economic recovery on a sounder footing.
- **Governance.** We reaffirm the urgency of making the 2010 quota and governance reforms effective by the 2012 Annual Meetings, to enhance the Fund's legitimacy and credibility. We urge members to ratify these reforms expeditiously and call on the Fund to monitor progress transparently and more frequently. We look forward to an agreement, by January 2013, on a simple and transparent quota formula that better reflects members' relative positions in the world economy. We reaffirm our commitment to complete the Fifteenth General Review of Quotas by January 2014. Any realignment is expected to result in increases in the quota shares of dynamic economies in line with their relative positions in the world economy, and hence likely in the share of emerging market and developing countries as a whole. Steps shall be taken to protect the voice and representation of the poorest members. We call on the Fund with the input from our Deputies to report on progress at our next meeting.
- **Surveillance.** We welcome recent initiatives on Fund surveillance, and agree that the current surveillance framework should be significantly enhanced. We welcome the progress by the Fund in advancing consideration of an integrated surveillance decision and commit to support the decision process. Strengthening surveillance should bring together bilateral and multilateral perspectives in Fund policy advice and enable better assessment of global and country level risks and spillovers to economic and financial stability, and engage more effectively with policymakers. The IMFC has a key role to play in regularly guiding strategic and operational priorities for Fund surveillance.



The next *Action Plan* provides an opportunity to report on progress.

Next IMFC meeting. Our next meeting will be held in Tokyo on October 12–13, 2012.

Tokyo, Japan

October 13, 2012

Communiqué of the Twenty-Sixth Meeting of the International Monetary and Financial Committee

Chaired by Mr. Tharman Shanmugaratnam, Deputy Prime Minister of Singapore and Minister for Finance

Global growth has decelerated and substantial uncertainties and downside risks remain. Key policy steps have been announced, but effective and timely implementation is critical to rebuild confidence. We need to act decisively to break negative feedback loops and restore the global economy to a path of strong, sustainable and balanced growth. Advanced economies should deliver the necessary structural reforms and implement credible fiscal plans. Emerging market economies should preserve or use policy flexibility as appropriate to facilitate a response to adverse shocks and support growth.

Advanced economies. There is a need to secure a sustained recovery from the crisis. Further monetary easing has created more accommodative financial conditions. The implementation of credible medium-term fiscal consolidation plans remains critical in many advanced economies. Fiscal policy should be appropriately calibrated to be as growth-friendly as possible. In the Euro area, significant progress has been made. The ECB's decision on Outright Monetary Transactions and the launch of the European Stability Mechanism are welcome. But further steps are necessary. We look forward to timely implementation of an effective banking and a stronger fiscal union to strengthen the monetary union's resilience, and structural reforms to boost growth and employment at the national level. In the United States, resolving the fiscal cliff, raising the debt ceiling, and making progress toward a comprehensive plan to ensure fiscal sustainability are essential. In Japan, securing funding for this year's budget and further progress in medium-term fiscal consolidation are needed.

Emerging market and developing countries. Activity is slowing in emerging market and developing economies, reflecting weaker external and domestic demand and, in some cases, policy tightening to address inflationary pressures. Risks are compounded for some countries by falling prices for non-food commodities and upward price pressures on some food items. These economies will need to ensure flexibility in policy implementation to support growth, consistent with global rebalancing. The potential impact from large and volatile cross-border capital flows should be closely monitored. The Fund has increased its support for Arab countries in transition and continues to work with these authorities as they develop home-grown national reform strategies to deliver inclusive growth and jobs. We call on the international community to provide broader support for this region. We welcome the increased engagement of the IMF with small states and look forward to further work in this area.

Low-income countries. While growth remains buoyant in most low-income countries, fiscal and reserve positions have weakened and buffers need to be restored. In the near term, the Fund is adequately resourced to provide additional financial support to low-income countries, should the need arise. We welcome the IMF Executive Board's decision on the use of US\$2.7 billion in remaining windfall gold sales profits as part of a strategy to ensure the long-term sustainability of the Fund's concessional financing facilities. This comes on top of the receipt of the assurances needed for the use of US\$1.1 billion in resources linked to gold sales profits to bolster PRGT resources in the near term. We call on members to expedite the unlocking of this financing.



Global Policy Agenda. We welcome the directions set forth in the Managing Director's Global Policy Agenda and share its emphasis on the need to address the current crisis and build a strong foundation for future growth. Policies for jobs and growth, debt sustainability, repair of financial systems, and reducing global imbalances are key priorities. We will review progress on implementing these measures at our next meeting. We are committed to strengthening domestic sources of growth in surplus economies, boosting national savings while enhancing export competitiveness in deficit countries, and fostering greater exchange rate flexibility, where appropriate. We reaffirm our commitment to avoid any form of trade and investment protectionism.

Surveillance. We welcome the strengthening of the IMF's surveillance framework through the adoption of a new Integrated Surveillance Decision, a Financial Surveillance Strategy as well as the launch of a pilot External Sector Report. These initiatives will bring together bilateral and multilateral perspectives in the Fund's policy advice and support better assessment of global and country-level risks and spillovers to economic and financial stability. We look forward to the evenhanded and effective implementation of the strengthened surveillance framework and will assess progress at the next Annual Meetings.

Resources. Members have significantly augmented Fund resources. Pledges have been received from more members since April to increase the borrowed resources available to the Fund by US\$461 billion. We welcome the signing of the first batch of bilateral borrowing agreements and encourage the conclusion of the remaining borrowing agreements soon.

2010 Quota and Governance Reforms. We have made considerable progress in ratifying the 2010 quota and governance reforms. Most of the conditions required for the entry into force of the reforms have been achieved. We reaffirm the urgency of making these important reforms effective and call on members who have yet to complete the necessary steps to do so.

Quota Formula Review. The comprehensive review of the quota formula is well underway. The key issues and differences have been clearly identified. We call on the membership to develop the consensus needed through further engagement of the IMF Executive Board, with input from the IMFC Deputies after their meeting in December, to complete the review by January 2013. We reaffirm our commitment to conclude the Fifteenth General Review of Quotas by January 2014.

IMFC meeting. We would like to express our gratitude to the government of Japan for hosting these meetings. The next IMFC meeting will be held in Washington D.C. on April 19-20, 2013.



Washington, D.C.

April 20, 2013

Communiqué of the Twenty-Seventh Meeting of the International Monetary and Financial Committee

Chaired by Mr. Tharman Shanmugaratnam, Deputy Prime Minister of Singapore and Minister for Finance

Policy actions have defused key short-term risks. An uneven recovery is emerging but growth and job creation are still too weak. New risks are arising while several old risks remain. We need to act decisively to nurture a sustainable recovery and restore the resilience of the global economy. Financial sector repair and reform remain a priority. Advanced economies need to balance supporting domestic demand with reforms to tackle structural weaknesses that weigh on growth, while implementing credible fiscal plans. Emerging market and developing economies that are experiencing relatively high growth should begin to rebuild policy space while those exposed to volatile capital flows should avoid financial vulnerabilities. We welcome the directions set forth in the Managing Director's Global Policy Agenda.

Advanced economies. A moderate and steady private sector-led recovery is in the making in the United States, while Japan has stepped up efforts to combat deflation. Growth in the euro area as a whole has yet to materialize. Continued progress in improving public finances is essential in most advanced economies. Where country circumstances allow, fiscal policies should avoid pro-cyclicality, focus on structural balances, and let automatic stabilizers operate fully to support growth. Credible medium-term fiscal consolidation plans remain crucial, in particular for the United States and Japan. Accommodative monetary policy is still needed to help bolster growth but needs to be accompanied by credible medium-term fiscal consolidation plans and stronger progress on financial sector and structural reforms. This will also help contain any potential impacts of monetary easing on capital flows and exchange rates. Eventual exit from monetary expansion will need to be carefully managed and clearly communicated. In the euro area, further progress in repairing bank balance sheets and reducing financial fragmentation is crucial. Structural reforms to boost productivity and employment need to continue. Further tangible progress is needed on core elements of an effective banking union and a stronger fiscal union, to strengthen the resilience of the monetary union.

Emerging market and developing countries. With activity picking up, policies should be recalibrated to rebuild buffers and guard against financial vulnerabilities. When dealing with macroeconomic or financial stability risks arising from large and volatile capital flows, macroeconomic policy adjustment could be supported by prudential measures and, as appropriate, capital flow management measures. Such measures should not, however, substitute for warranted macroeconomic adjustment. We note the Fund's increased support for Arab countries in transition and welcome the bilateral support thus far. More needs to be done by the Fund and the wider membership to support countries undertaking difficult reforms. We also welcome the Fund's strengthened engagement with small states to better reflect their needs in program design and technical assistance.

Low-income countries. Continued robust growth in many low-income countries provides room for replenishing policy buffers while addressing pressing infrastructure and social needs, including targeted support to the poor through subsidy reform. We note recent changes to the Fund's facilities for low-income countries and the temporary extension of the zero interest rate. We urge members to unlock the financing necessary to ensure the self-sustainability of the Fund's concessional lending, following the 2012 decision on gold sale windfall profits. We call on the Fund to closely monitor the sustainability of the PRGT in relation to the needs of low-income countries. We also look forward to the finalization of the review of the debt limits policy in Fund-supported programs.



Restoring resilience. We welcome the work of the Fund on jobs and growth as a basis for tailored policy advice, in collaboration with other organizations. Reforms to put debt on a sustainable trajectory are critical. We call on the Fund to draw lessons from experiences of dealing with high debt. Renewed commitment to implement financial reforms is needed. We stress the important role of the Fund's Financial Surveillance Strategy in moving this agenda forward, including assessing the global impact of regulatory reforms. Further progress should be made on closing data gaps. Global imbalances have continued to narrow, but more needs to be done to reduce the structural sources of these imbalances. To support rebalancing, deficit countries must continue to raise national saving and surplus economies must boost domestic sources of growth. In addition, fiscal and structural reforms, supported by greater exchange rate flexibility where appropriate, are needed to ensure that the correction continues. We affirm our commitment to refrain from competitive devaluations and any form of trade and investment protectionism. Fighting tax evasion is critical to help strengthen fiscal resilience of all our member states. In this regard, we are determined to promote transparency in the tax, anti-money laundering and counter-financing of terrorism areas.

IMF surveillance. Evenhanded and effective implementation of the strengthened surveillance framework is necessary to improve the integration of multilateral perspectives in bilateral surveillance and the Fund's analysis of risks and spillovers. We welcome the Integrated Surveillance Decision, the outcome of the Fund's work on capital flows, the pilot External Sector Report, and the Spillover Report. We look forward to the upcoming review of transparency policy. We call for further analysis of the impact of unconventional monetary policy on capital flows and asset and commodity prices, the role of capital flows in driving exchange rates, and global liquidity.

Governance reforms. We urge members who have yet to complete the necessary steps to ratify the 2010 reforms to do so without delay. We remain committed to complete the reform of the Fund's quota and governance structure, which is key to its credibility, legitimacy, and effectiveness. We will integrate work on a new quota formula with work on the Fifteenth General Review of Quotas. The quota formula should be simple and transparent, consistent with the multiple roles of quotas, produce results that are broadly acceptable to the membership, and be feasible to implement statistically based on timely, high quality and widely available data. We urge the Executive Board to agree on a new quota formula as part of the Fifteenth General Review of Quotas. Any realignment is expected to result in increases in the quota shares of dynamic economies in line with their relative positions in the world economy, and hence likely in the share of emerging market and developing countries as a whole. Steps shall be taken to protect the voice and representation of the poorest members. We reaffirm our commitment to complete the Fifteenth Review by January 2014.

We welcome the conclusions of the second external evaluation of the Independent Evaluation Office and look forward to the implementation of its recommendations.

Next IMFC meeting. Our next meeting will be held in Washington, D.C. on October 11–12, 2013.



Annex 11

Communiqués of the Development Committee of the Boards of Governors of the World Bank and IMF, 2012-2013

Washington, DC
April 21, 2012

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries.

1. The Development Committee met today, 21 April 2012, in Washington DC.
2. The global economic outlook remains challenging. Policy adjustments and improved economic activity have reduced the threat of a sharp global slowdown. Growth in emerging and developing economies continues to be relatively strong, but poor countries still need support. Implementing policies and structural reforms to promote poverty reduction and inclusive growth must continue.
3. The likely achievement of the Millennium Development Goal (MDG) to halve global poverty by 2015 is welcome news, but we remain vigilant and continue to work with all stakeholders to advance the other MDGs and to learn from experience. We call on the World Bank Group (WBG) and the International Monetary Fund (IMF) to support the implementation of the New Deal for Engagement in Fragile States. We call on the WBG to develop more innovative and stronger partnerships with middle income countries. Providing knowledge and financing for global public goods will also remain key. We welcome steps being taken by the IMF to implement the agreed funding package for the Poverty Reduction and Growth Trust, which should enable it to meet likely demand for the IMF's concessional support through 2014.
4. Higher, more volatile food prices threaten poverty reduction and other lagging MDGs, especially reducing hunger and child and maternal mortality. Food insecurity and malnutrition have devastating effects, especially on women and children. The *Global Monitoring Report: Food Prices, Nutrition and the MDGs* is timely and builds on our discussion last spring and the G20 conclusions at Cannes. We call on the WBG to continue to pursue multi-sectoral solutions to food insecurity and malnutrition through instruments such as the Global Agriculture and Food Security Program.
5. Social protection makes sound development sense. Social safety nets bolstered poor people's resilience to the last financial crisis and are also an important component of longer-term poverty reduction when they are well-targeted, affordable, gender sensitive and sustainable. The WBG has increased support for social safety nets, including conditional cash transfers, public works, and school feeding. We welcome the report *Safety Nets Work: During Crisis and Prosperity*, with its focus on improving the design and efficiency of existing social safety net programs and building new ones where needed, particularly in low income countries. We urge the WBG to promote south-south learning and to allocate sufficient resources to this work, continuing to collaborate with relevant institutions such as the IMF, the regional development banks and the International Labor Organization.



6. A vibrant private sector is crucial for growth, jobs and poverty reduction. We therefore welcome the report on the *WBG's Innovations in Leveraging the Private Sector for Development*. Building on its mandate of poverty reduction, the WBG is uniquely placed to innovate and advise clients about how to harness the private sector for development and to promote an enabling environment. The IFC has effectively supported development through the private sector and grown its investment portfolio and advisory services, and innovative products such as local currency and short term finance, while maintaining its focus on IDA countries and frontier markets. MIGA has also expanded its guarantee portfolio. We ask management to prepare a group-wide approach that assesses the implications for priorities and use of resources, and optimizes synergies between IBRD, IDA, IFC and MIGA to enhance responsiveness to clients and provide integrated solutions.

7. We are encouraged by progress on the modernization agenda, designed to improve the Bank's effectiveness and efficiency to deliver more and better results. Cultural and organizational change will be needed and we fully support management in bringing this about. The *Update on the Bank's Business Modernization: Results, Openness and Accountability* indicates a clear way forward. Critical areas for reform include human resources and knowledge building and sharing. Promoting staff diversity is vital to enhance operational effectiveness and attract motivated talent. The Corporate Scorecard is beginning to drive a results culture through the organization. Building on recent World Development Reports, the incorporation of gender equality and greater focus on fragile and conflict affected situations (FCS) will incentivize improved WBG performance. The momentum behind modernization must be maintained, and we look forward to a progress report next spring and to an updated Corporate Scorecard this autumn. Modernization, innovation, and greater creativity in the use of capital will achieve a more efficient WBG and contribute to its long term financial sustainability.

8. The Ministerial Dialogue on Sustainable Development, with the participation of the United Nations Secretary General Ban Ki-moon, sent an important signal about the need for global partnership to advance this demanding agenda. We look forward to continued discussion about inclusive, green growth in the context of poverty reduction and sustainable development, natural capital accounting and oceans, feeding into the Rio + 20 and G20 processes.

9. We express our profound appreciation and gratitude to Robert B. Zoellick for his leadership of the WBG over the last five years. He has positioned the WBG at the forefront of effective and timely responses to food and financial crises and natural disasters, as well as reinvigorating delivery of longer-term poverty reduction and tangible results. He has championed gender equality, better performance in FCS, adaptation to climate change, and renewed attention to agriculture and infrastructure. Under his leadership, the Bank secured the first capital increase in over twenty years and two unprecedented IDA replenishments, and launched a host of private sector initiatives, such as the IFC's Asset Management Company. He has helped transform the WBG, making it more open, transparent, accountable and ready for a new era of "modernized multilateralism". Reflecting this change, Mr. Zoellick has overseen the rise in the voting share of developing countries to 47%, to be followed by a further review of voice by 2015.

10. We congratulate Dr. Jim Yong Kim on his selection as President of the WBG and commit to working in close partnership with him. We thank Dr. Ngozi Okonjo-Iweala and Dr. José Antonio Ocampo for their candidacies and for sharing their valuable ideas for the WBG.

11. We welcome Mr. Marek Belka as the new Chair of the Development Committee and look forward to working with him. We also note with satisfaction the proposed revision of the Development Committee's membership to reflect the addition of a third chair for Sub-Saharan Africa in the WBG's Board.



12. The Development Committee's next meeting is scheduled for 13 October 2012, in Tokyo.

Tokyo, Japan
October 13, 2012

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries

1. The Development Committee met today, October 13, 2012, in Tokyo.

2. The global economy remains vulnerable. Challenges persist in many developed economies, while growth is slowing in major emerging economies that have been important sources of global economic dynamism in recent years. We recognize the measures taken by many member countries to support growth, while acknowledging the need for continued fiscal, financial and structural efforts. We reiterate our commitment to taking decisive actions to promote growth and development, to continued support for an open global economy and to meeting our pledges of development assistance. We reaffirm our commitment to achieving the Millennium Development Goals and encourage the World Bank Group (WBG) to contribute actively to the post-2015 development framework. We welcome the recent decision by the International Monetary Fund (IMF) to put its concessional lending facilities on a self-sustained footing, using the windfall profits from sales of gold.

3. Recent financial crises mean fewer jobs where millions are needed. Jobs are engines of poverty reduction and empower people, especially women and young adults. Jobs have the potential to drive the transformation that leads to sustainable development and social cohesion. The WBG *2013 World Development Report on Jobs* highlights that there is no magic formula for creating jobs and the mix of job enabling policies will differ between countries. The private sector generates most jobs, but the public sector also has an important role to play. The WBG must continue to help countries strengthen the enabling environment for job creation given their specific challenges, and the role of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency will be especially crucial in supporting the private sector, including through innovative initiatives. We encourage the WBG, in partnership with member countries and other stakeholders, to build on its cross-cutting analytical and policy work around jobs and to share this knowledge.

4. Gender equality is smart economics and a key factor in poverty reduction. We welcome progress made by the WBG in implementing its gender equality agenda, although much remains to be done. We are encouraged that all country strategies discussed in the past year are gender-informed. We urge the WBG to sustain the momentum to support client countries' efforts, especially where gender inequality persists, and to report on further progress in one year.

5. We thank the Government of Japan for hosting these Annual Meetings as well as the Sendai Dialogue. Natural disasters can be a serious impediment to poverty reduction and affect poor and vulnerable people the most, and their impact is on the rise. We thank Japan for sharing lessons from its experience of disaster risk management, and welcome the *Sendai Report: Managing Disaster Risks for a Resilient Future*. Disaster risk management is often less costly, in financial and human terms, than disaster relief and response. Recognizing that disaster risk management and adaptation to climate change are collaborative efforts, we call on the WBG to integrate them into its work with client countries, while continuing to play a major role in supporting effective responses and reconstruction operations, when disasters do occur.



6. Food security and food price volatility remain persistent threats to development and merit continued attention. We are troubled by the acute humanitarian emergency in the Sahel region where hunger threatens the lives of 19 million people and the stability of the region. We call on the WBG to accelerate work with other multilateral agencies and donors on a comprehensive regional approach to develop and scale up solutions to enable the Sahel region to permanently escape the cycle of emergency aid, and reach a more resilient and sustainable future in the medium term. Over the longer term, mechanisms such as the Global Agriculture and Food Security Program, agricultural research, infrastructure investments and south-south learning will reduce vulnerabilities. The IMF should continue to provide prompt balance of payments financing where needed.

7. We also encourage the WBG to increase its effectiveness in fragile states and align the development objectives of its country programs to the specific challenges member countries face. We welcome the renewed focus on recruiting and supporting talented staff to serve in these difficult environments. We are pleased to see that the IFC has increased its activities in fragile states.

8. Following the discussions at Rio+20, the Ministerial Dialogue on Sustainable Development sharpened our focus on sustainability and allowed us to exchange views about the effective use of policies to support inclusive green growth and how to pursue better measures of growth and welfare. We call on the WBG to provide support to countries that want to use natural capital accounting to help chart their next phase of growth. We are encouraged that the WBG-supported Global Partnership for Oceans has attracted new members and created a sense of urgency about the need for action to restore oceans to productive health and for sustainable aquaculture.

9. We welcome Dr. Jim Yong Kim as the new President of the WBG and value his strong commitment to focus on how the Group can further accelerate progress towards our core mission of eradicating poverty and boosting shared prosperity. We support his vision of a WBG that focuses on impact, provides evidence-based assistance with integrated development solutions to its member countries, and promotes global public goods. We look forward to an update at the Spring Meetings on the implementation of the modernization agenda and the next steps toward a more results-oriented, knowledge-based, open, transparent, and accountable WBG which can help deliver transformative change for client countries. To help facilitate this, we support a cultural shift to focus further on results and implementation, backed by the necessary human resources reforms and stronger leverage of WBG synergies.

10. The next Development Committee meeting is scheduled for April 20, 2013, in Washington DC.

Washington, DC
April 20, 2013

Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries

1. The Development Committee met today, April 20, 2013, in Washington, DC.

2. Sustained economic growth in developing countries over the past decade has resulted in the achievement of the first Millennium Development Goal (MDG), to halve extreme poverty by 2015, well ahead of schedule. We remain strongly committed to the MDGs and we call on the World Bank Group (WBG) to scale up its efforts to support countries in reaching the MDG targets and to participate actively in setting an ambitious post-2015 agenda.



3. Significant global challenges remain. While the outlook for developing economies is promising and downside risks have diminished in the short-run, global macroeconomic stability is not yet restored, unemployment is still high, and food prices continue to be volatile and to bear down on the poorest. Conflicts and poor governance hinder development in many regions, and climate change and natural disasters put social and economic achievements at risk. Meeting these challenges requires successful domestic policy responses, international cooperation and effective international institutions.

4. A world free of poverty remains the WBG's overarching mission. We support the development of a unified WBG Strategy that will relentlessly focus its activities and resources on fulfilling its mission. We therefore welcome the paper, *A Common Vision for the World Bank Group*, and we look forward to discussing the upcoming WBG Strategy at this year's Annual Meetings. We also welcome the change process outlined to support the WBG Strategy, building on the ongoing reform initiatives and the five building blocks, the measurable goals, and the incorporation of the science of delivery and evidence-based approaches. The Strategy should help the WBG maximize its impact, be more selective, and ensure its financial sustainability.

5. We believe that we have a historic opportunity to end extreme poverty within a generation and we endorse the WBG goal set out in this regard. The global target of reducing the extreme poverty rate - the percentage of people living on less than \$1.25 a day - to 3 per cent by 2030, is ambitious. Achieving this goal will require strong growth across the developing world, as well as translation of growth into poverty reduction to an extent not seen before in many low income countries. It will also require overcoming institutional and governance challenges, and investing in infrastructure and in agricultural productivity. We call on the WBG to remain committed to all client countries, paying special attention to countries and regions with the highest incidence of poverty and to Fragile and Conflict-Affected Situations (FCS), as well as to the particular challenges facing small states.

6. We equally endorse the WBG goal to promote shared prosperity, which will entail fostering income growth of the bottom 40 per cent of the population in every country. We recognize that sustained economic growth needs a reduction in inequality. Investments that create opportunities for all citizens and promote gender equality are an important end in their own right, as well as being integral to creating prosperity. Shared prosperity also means focusing on those who, although not currently poor, are vulnerable to falling into poverty.

7. The goals of ending extreme poverty and promoting shared prosperity must be achieved in an environmentally, socially and fiscally sustainable manner. Climate change deserves special attention in this context. We welcome the WBG's commitment to work with the international community to improve the indicators related to environmental sustainability. The welfare of current and future generations requires securing the future of our planet, ensuring social inclusion, and limiting the economic debt inherited by future generations.

8. The International Development Association (IDA) is of critical importance to the WBG's mission. We welcome IDA17's overarching theme of maximizing development impact, including by further leveraging synergies with the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), as well as its focus on inclusive growth, gender equality, FCS, and climate resilience, including disaster risk management. We call for a robust IDA17 replenishment with strong participation from all members.



9. We welcome the contribution of the private sector to growth and job creation. Private investment flows have grown as sources of development finance and are a key factor in achieving our goals. With a proper enabling environment, adequate infrastructure, and policies that promote competition, entrepreneurship and job creation, the private sector can support shared prosperity and offer real opportunities to all citizens, especially women and young adults. We strongly value the mandate of IFC and MIGA in supporting the development of a dynamic private sector and encourage the WBG to adopt a group wide approach to leverage its development impact.

10. The Third Ministerial Dialogue on Sustainable Development provided an opportunity to sharpen our focus on sustainability within the broader perspective of poverty reduction. We encourage the WBG and the International Monetary Fund (IMF) to provide support to countries that want to catalyze low-carbon growth and climate resilience in cities; scale up efforts towards climate-smart agriculture; and rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, with due regard to affordability of energy for the poor.

11. In the last two decades, the number of people living in urban settlements rose from 1.5 billion to 3.6 billion. Many live in areas exposed to disasters and climate risks, which poses an urgent and direct threat to development efforts. We welcome the Global Monitoring Report's findings and recommendations. Urbanization must be managed effectively so slums do not overwhelm cities, exacerbate urban poverty, and derail MDG achievements. We also support disaster risk management and climate change adaptation as sound investments that should be integrated into the WBG's work. We look forward to a progress report on the implementation of the recommendations of The Sendai Report: Managing Disaster Risks for a Resilient Future at the next Spring Meetings.

12. We are concerned by the continued deterioration of living conditions in the Sahel and the Horn of Africa, which threatens the stability and the development prospects of these regions. We call on the WBG to assist countries to escape permanent crisis cycles by deepening its commitments on infrastructure, job creation, social reintegration, agricultural production and food security. We also encourage the WBG and the IMF to remain actively involved in MENA countries, especially supporting policy reforms. We welcome the new phase of the partnership with Myanmar and urge the WBG and the IMF to offer strong support in accelerating sustainable growth and shared prosperity. We also call on the WBG to foster regional integration and, where appropriate, to support regional projects.

13. The next meeting of the Development Committee is scheduled for October 12, 2013 in Washington, DC.



Annex 12

Acronyms Used in This Report

| | |
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| AFRITAC | African Regional Technical Assistance Centre |
| BWIs | Bretton Woods Institutions |
| CAO | Compliance Advisor Ombudsman |
| CAPTAC | Central America, Panama, and Dominican Republic Technical Assistance Centre |
| CARTAC | Caribbean Regional Technical Assistance Centre |
| CAFEF | Conflict-Affected and Fragile Economies Facility |
| CIDA | Canadian International Development Agency |
| EC | European Commission |
| ECB | European Central Bank |
| ECF | Extended Credit Facility |
| ED | Executive Director |
| EFF | Extended Fund Facility |
| EFSF | European Financial Stability Facility |
| EMDC | emerging market and developing country |
| EQUIP | Education Quality Improvement Program |
| ESAF | Enhanced Structural Adjustment Facility |
| ESM | European Stability Mechanism |
| EU | European Union |
| FCC | Forward Commitment Capacity |
| FCL | Flexible Credit Line |
| FCS | fragile and conflict state |
| FSAP | Financial Sector Assessment Program |
| FSB | Financial Stability Board |
| FY | fiscal year |
| G-20 | Group of Twenty |
| GAB | General Arrangements to Borrow |
| GAFSP | Global Agriculture and Food Security Program |
| GCI | general capital increase |
| GDP | gross domestic product |
| GFSR | <i>Global Financial Stability Report</i> |
| GRA | General Resources Account |
| HIPC | heavily indebted poor country |
| IBRD | International Bank for Reconstruction and Development |
| ICSID | International Centre for Settlement of Investment Disputes |
| ICT | information and communications technologies |
| IDA | International Development Association |
| IDA16 | 16th replenishment of IDA |



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| IDA17 | 17th replenishment of IDA |
| IEG | Independent Evaluation Group |
| IEO | Independent Evaluation Office |
| IFC | International Finance Corporation |
| IFI | international financial institution |
| IMF | International Monetary Fund |
| IMFC | International Monetary and Financial Committee |
| ISD | Integrated Surveillance Decision |
| LIC | low-income country |
| LTRO | long-term refinancing operation |
| MDG | Millennium Development Goal |
| MDRI | Multilateral Debt Relief Initiative |
| MENA | Middle-East and North Africa |
| MIGA | Multilateral Investment Guarantee Agency |
| NAB | New Arrangements to Borrow |
| ODAAA | Official Development Assistance Accountability Act |
| OMT | Outright Monetary Transaction |
| PCDR | Post-Catastrophe Debt Relief |
| PCL | Precautionary Credit Line |
| PLL | Precautionary and Liquidity Line |
| PRGT | Poverty Reduction and Growth Trust |
| PSI | Policy Support Instrument |
| RFA | regional financial arrangement |
| RFI | Rapid Financing Instrument |
| RTAC | Regional Technical Assistance Centre |
| SAF | Structural Adjustment Facility |
| SBA | Stand-By Arrangement |
| SCF | Standby Credit Facility |
| SDR | Special Drawing Right |
| SMEs | small and medium-sized enterprises |
| TSR | Triennial Surveillance Review |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development |
| WBG | World Bank Group |
| WEO | <i>World Economic Outlook</i> |