

## Ahmed Munawar: Speech - 2024 Annual Meetings of the IMF and the World Bank Group

Remarks by Mr Ahmed Munawar, Governor of the Maldives Monetary Authority, at the 2024 Plenary of the Boards of Governors of the International Monetary Fund and the World Bank Group, Washington DC, 25 October 2024.

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Assalam Alaikum and a very good morning

It is a great honor to **you to the 2024 Plenary of the Boards of Governors of the International Monetary Fund and the World Bank Group.**

A warm welcome to the Managing Director of the IMF Kristalina Georgieva and the President of the World Bank Group Ajay Banga. Congratulations Ms. Georgieva, on commencing your second term as the MD.

This year is special. We are celebrating the 80th anniversary of the Bretton Woods Institutions-a major milestone in the history of global economic governance. I would like to reflect on the words of the first Annual Meetings Chair of the Boards of Governors, U. S. Treasury Secretary, John W. Snyder: "In joining the Fund and Bank, our respective governments have not only invested large sums of money, but they have in a considerable measure staked their economic destinies on the success of these institutions. We must not fail our governments and, above all, the hopeful people we represent."

These words hold true today, as they did 80 years ago. For 80 years, the IMF and World Bank have remained beacons of hope, managing global crises from wars to pandemics. Even in tough times, we find resilience. Chairing the Board of Governors in this historic meeting by a small state like mine is a sign of the inclusivity of these institutions.

Despite tighter financial conditions and rising geopolitical tensions, the global economy is showing remarkable strength. A soft landing is within reach. Inflation is moderating. Yet, we cannot become complacent. Uncertainty remains high. Ongoing conflicts and upheavals in many parts of the world cast a shadow over our progress, and further escalations would have a much larger impact on vulnerable economies, including through higher commodity prices.

**It is true that significant challenges remain, and I would like to highlight three such challenges.**

Firstly, **climate change**. Small countries like the Maldives, are on the front lines of climate change. The Maldives aims to have 33% of its electricity from renewable sources by 2028. This transition will build climate resilience and deliver significant fiscal and foreign exchange savings. Achieving the target requires around 1.3 billion dollars to upgrade power infrastructure, of which only 13% has been pledged by donors so far. Small Island Developing States (SIDS) like the Maldives call on international financial

institutions to provide easier and affordable climate finance for adaptation and mitigation on the principles of a just energy transition. While the IMF's Resilience and Sustainability Fund and the World Bank's record 42.6 billion dollars in fiscal year 2024 in climate finance are commendable. More is needed, especially for climate vulnerable SIDS. Additionally, we must innovatively rethink and implement strategies to mobilize private sector investments.

**Secondly, debt sustainability.** Over two-thirds of emerging markets and developing economies are at high risk of debt distress. While the Global Sovereign Debt Roundtable has encouraged collaboration, more action is needed. Debt sustainability analysis must better account for country context, and the ongoing review of the Debt Sustainability Framework for Low-Income Countries should look at the specific needs of SIDS. The IMF, World Bank, and MDBs should take bold steps to support countries in debt distress. MDBs can also create tools like debt-for-climate swaps, exchanging debt relief for climate adaptation investments.

**Finally, structural reforms.** We must strengthen the productive and state capacities of emerging and developing economies. The Bretton Woods Institutions should focus more on job creation, equal opportunities, economic diversification, and the impact of refugee flows. Similarly, structural reforms must be socially acceptable, ensuring benefits are widely shared.

Over the past year, the IMF and World Bank have undertaken significant **initiatives to support our members**. The completion of the 16th General Review of Quotas, the IDA21 Replenishment, and discussions on quota realignment and strengthening World Bank Group's financing will help ensure that these institutions remain adequately resourced. At the same time, let us not lose sight of the importance of providing adequate access and representation to the countries which need MDB support the most, as well as ensuring evenhanded treatment across the membership.

The review of the IMF's Poverty Reduction and Growth Trust, Charges and Surcharge Policy together with the World Bank's IDA21 Replenishment demonstrate support for our most vulnerable nations.

As I reflect on the discussions I have had during these Annual Meetings, one theme has emerged strongly: the critical **need for multilateral cooperation**. My friends, collective action is the antidote to an increasingly fragmented world. The 80th anniversary of the Bretton Woods Institutions provides a moment to reflect on our achievements, and plan for a better future together. Let me extend a warm welcome to Liechtenstein, which earlier this week joined the IMF as its hundred and ninety-first member, further reinforcing the importance of multilateralism. I am pleased with addition of the 25th Chair at the IMF's Executive Board for Sub-Saharan Africa, and urge my fellow Governors to champion gender diversity and equality.

As the Bretton Woods Institutions plan for the future, they should tailor their advice and activities to meet the specific needs and capacities of each member. If we fail to do this, we fail the people we represent, as the first Annual Meetings Chair, John Snyder, wisely reminded us 80 years ago. As I conclude, let us remind ourselves of our unwavering commitment to macroeconomic stability, prosperity, and cooperation.

Thank you.