



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

**ONE HUNDRED AND FOURTEENTH MEETING
BANGKOK, THAILAND – OCTOBER 15, 2026**

DC/S/2026-0050
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Statement by

Fabio Panetta
Governor of the Bank of Italy

**Constituency of Albania, Greece, Italy, Malta, Portugal,
San Marino, and Timor-Leste**

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114th Meeting of the Development Committee

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Geopolitical tensions, conflict, and economic fragmentation are increasingly defining the global economy. Renewed disruptions to energy, fertilizers, and logistics have fuelled inflation, weakened confidence, and constrained consumption in 2026. The effects fall disproportionately on emerging and developing economies (EMDEs), whose limited fiscal and financial buffers and less diversified energy sources leave them least able to absorb shocks. As a result, development progress has stalled in several countries, putting hard-won gains at risk.

In this context, our Constituency firmly supports the World Bank Group (WBG) in its efforts to develop innovative solutions and instruments to eradicate poverty and advance development through inclusive growth, job creation, investment in human capital and infrastructure, better access to finance, and robust social protection systems. Climate action, good governance, transparency, and gender equality should be embedded across all strategies and their implementation. Multilateralism and international cooperation remain essential for lasting progress.

The WBG's comprehensive reform agenda appropriately combines greater operational effectiveness with renewed strategic priorities. Delivering it will require a sustained focus on quality, impact, and tangible results, supported by more effective use of the WBG's extensive knowledge and research capabilities.

We welcome the Education and Skills Implementation Plan's focus on job-relevant training across sectors, which is essential to sustainable development. We strongly support Global Skill Partnerships as a practical way to turn complementary labour-market needs into shared gains for countries of origin and destination. The WBG's analysis of Italy's partnerships with Tunisia, extended to Ethiopia, shows that the model can be replicated when programmes are aligned with skills demand and institutional readiness. We encourage the WBG to scale up such well-managed initiatives across other labour-mobility corridors.

Resilient health systems are foundational to human capital. The Health Target Implementation Plan and National Health Compacts can support country-led reforms, while the Africa Initiative for Medical Access and Manufacturing (AIM2030) can link job creation and pandemic preparedness by supporting local and regional manufacturing in Africa. Recent outbreaks, including Ebola in the Democratic Republic of Congo, also underscore the potential value of the WBG's emerging Day Zero Financing approach, which would enable rapid access to resources during health emergencies.

Artificial intelligence (AI) could be a powerful instrument for advancing the WBG's mission. The 2026 World Development Report on AI is a timely contribution showing that widespread adoption could lift potential growth in EMDEs by 0.8 percentage points per year. We encourage the WBG to help developing countries realize this potential by investing in digital and energy infrastructure, human capital, and digital skills; facilitating regional approaches to connectivity; and identifying the right policy mix to manage the associated risks. Rigorous impact evaluation will be key to building evidence on AI's development effects and guiding effective policies.

Climate remains an overarching priority, and we welcome the extension of the Climate Change Action Plan. Climate action should always be integrated into national development priorities and address adaptation, mitigation, and resilience. We see merit in the WBG's decision to selectively re-engage in nuclear energy, in close cooperation with the IAEA and in line with the highest safety standards. Over the long run, nuclear energy could provide a low-carbon baseload option to complement a diversified energy mix and support economic growth.

Mobilizing private capital is essential to achieving development impact at scale. By expanding patient, risk-absorbing equity and deepening local-currency financing and domestic capital markets, the WBG can channel private capital and domestic savings toward productive investment, including in micro, small, and medium-sized enterprises, without adding to countries' external debt burden.

To this end, we welcome the WBG's strategy to scale up Private Capital Mobilization (PCM), and especially its objective of creating an investable asset class based on common standards for project preparation, disclosure, and credit risk. This approach could redefine the WBG's role in the global financial system and benefit the broader Multilateral Development Bank (MDB) system and the global development finance architecture.

However, PCM is not always feasible and may introduce additional financing and implementation risks. The WBG should therefore retain the flexibility to tailor its instruments to different sectors, technologies, and country contexts, safeguarding additionality and development impact while preserving its capacity for countercyclical lending, especially to low-income and fragile countries.

On capital and shareholding matters, we welcome the two-year extension of the IBRD and IFC subscription periods, together with the non-binding guidance that allows the incoming Board to assess actual outcomes before deciding how to allocate the remaining shares. Looking ahead, the Lima Principles should remain the anchor for the 2030 Shareholding Review. We support early, transparent, and systematic preparation, and encourage continued efforts to strengthen the effective participation of smaller and poorer members.

IDA remains a vital source of financing, knowledge, and technical assistance for low-income and fragile countries. We look forward to the IDA21 mid-term review and support efforts to further strengthen IDA's long-term financial sustainability. We will work toward a successful IDA22 replenishment that supports transformative projects aligned with country priorities, particularly in Africa.

The WBG has modernized its procurement policy by promoting standards that emphasize quality and value-for-money rather than cost alone. These standards foster competition, support local private-sector participation, and strengthen institutional harmonization. We encourage the WBG to build on this progress and address anti-competitive practices, including bids benefiting from distortive subsidies. Close monitoring of the new procurement framework will be crucial to ensure that the reforms are effective, identify gaps and take corrective action where needed.

Under the Mattei Plan, Italy has strengthened its partnership with African countries by co-financing projects that expand energy access and water security, in support of national priorities and debt sustainability. This partnership is aligned with our commitment to the WBG's Mission 300 and the Water Forward global coalition. Through the Resilient and Inclusive Supply-Chain Enhancement (RISE) initiative, Italy also supports responsible mining, local value addition, and job creation under the WBG's Minerals and Metals strategy.

In agriculture, the Italian Global Coffee Initiative complements the WBG's AgriConnect efforts to expand farmers' opportunities, while the WBG-IFAD partnership supports first-mile smallholders. AGORA, the annual conference sponsored by Italy, brings together researchers, policymakers, and private-sector leaders to turn evidence into productive investment. Expanding the WBG's Rome office would further advance co-financing, knowledge exchange, and skills and business partnerships.

We reiterate our firm support for the WBG's comprehensive efforts in Ukraine, in coordination with other donors and financial institutions. These efforts are critical to mobilizing international resources and private investment, strengthening resilience, and supporting recovery and reconstruction.