

Prepared by the New Zealand Embassy in Washington DC.

Summary

- The Deputy Prime Minister and Minister of Finance led a New Zealand delegation to Washington DC for the 2022 World Bank Group and International Monetary Fund (IMF) Annual Meetings.
- The meetings were an opportunity to connect in-person for the first time since the pandemic with a range of Ministerial counterparts, leaders at the World Bank and IMF, and senior US officials such as the Federal Reserve Chair.
- Discussions focused on the global economic outlook, the need for multilateral cooperation, the importance of engagement in the Pacific and the need for an ongoing, ambitious global response to climate change.

Report/findings

- Deputy Prime Minister and Minister of Finance, Hon Grant Robertson, led a New Zealand delegation to the first in-person World Bank Group and International Monetary Fund (IMF) Annual Meetings since 2019. The meetings took place in Washington DC from 10-16 October 2022.
- The Annual Meetings were well organised and attended, with strong representation from Finance Ministers and Central Bank Governors. The meetings provided the Minister with a good opportunity to reconnect with Ministerial counterparts in person and understand their priorities and views on the global outlook after an extended period without in-person meetings.
- The Ministers programme included meetings with Ministerial counterparts from Singapore, Thailand, India, Indonesia, Canada, Finland, Kiribati, Samoa, and Australia. The Minister also met with US FED Chair Jerome Powell, US Treasury and White House staff, as well as senior management from the World Bank and IMF. The Minister attended a High-Level Political Dialogue on Small Island Developing States, a function for the New Zealand-US Business Council, and met with New Zealanders working at the World Bank and IMF.
- The meetings took place against a backdrop of uncertainty in the **global economy**. Including the difficulty for central banks in trying to control inflation while minimising the risk of a major global recession, the effect of global financial tightening on emerging and developing economies, and the need for fiscal policy to complement monetary policy, while targeting support to vulnerable households facing the rising cost-of-living.
- The risks from **geopolitical and economic fragmentation** and the need to build resilience to external shocks and diversify relationships was also front and centre. The Indo-Pacific Economic Framework for Prosperity (IPEF) featured heavily in discussions with Asian countries and the US as a tool for enhancing this resilience.
- There was an increasing focus on **Pacific** engagement, particularly from the US. Earlier this year, the US announced the [Partners in the Blue Pacific Initiative](#) to provide more effective and efficient cooperation in support of Pacific Island priorities. Minister Robertson welcomed positive US engagement in the region and the value of long-term commitment and presence.
- Attendees at the meeting highlighted the need for an ongoing, ambitious global response to **climate change** and the critical role international financial institutions will play in both mitigation and adaptation. Countries highlighted that the support also needs to be fit for purpose for the Pacific and other small island developing states. The World Bank and IMF have increasingly focused on climate change issues. In fiscal year 2022, the World Bank Group delivered a record US\$31.7 billion in climate change finance. The World Bank has also established the [Scaling Climate Action by Lowering Emissions](#) (SCALE), an umbrella, multi-partner trust fund for results-based climate

finance programs and the [IMF's Resilience and Sustainability Trust \(RST\)](#) is now in operation.

- There was discussion about the need for multilateral development banks (MDBs) to evolve, to ensure they are equipped to respond to global challenges. This builds on the recent report on the [G20 sponsored Independent Review](#) of MDBs' capital adequacy frameworks, which recommended a package of reforms aimed at unlocking additional resources to maximize MDB development impact.
- Finally, many partners highlighted the **importance of multilateral cooperation**, at this time of geopolitical and economic fragmentation. Maintaining and strengthening multilateral institutions will be critical to effectively respond to the global challenges mentioned above.
- See more [information on the Annual meetings](#).

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