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Statement by the Hon. **ANDRZEJ DOMAŃSKI,**
Governor of the IBRD and the Fund for the **REPUBLIC OF POLAND**

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Governor of the IBRD and Fund for the Republic of Poland

Firstly, we would like to extend our thanks to all involved in the organisation of the 2025 Annual Meetings. We would also like to acknowledge the dedication of the International Monetary Fund (IMF) and the World Bank Group's (WBG) Management and Staff, as well as Executive Directors and their teams, who have worked tirelessly for the benefit of the international community in recent, quite challenging years. We look forward to continuing our fruitful cooperation towards a more prosperous, sustainable and inclusive world for all.

Global Economy, Challenges and Way Forward

The Annual Meetings provide an opportunity to take stock of important economic and institutional developments and to reflect on the role of the Bretton Woods institutions amid an increasingly volatile geopolitical landscape. The global economy continues to experience challenges arising from the conflict in the Middle East and the consequences of Russia's illegal invasion of Ukraine, which we strongly condemn. Furthermore, the imposition of tariffs and counter-tariffs has made the future shape of the international trade regime more unpredictable. The development gains achieved by many emerging economies — largely resulting from efforts to integrate regionally and into the global system — are at risk.

As we gather at a time of elevating global complexity, these are not the only challenges we must address. The global economy is also grappling with climate-related shocks, rising inequalities, debt vulnerabilities and tightening financial conditions. These challenges pose significant difficulties for developing regions. Substantial cuts to official development assistance further exacerbate these risks, making it harder for many countries to achieve their Sustainable Development Goals. In addition, a shifting multilateral landscape and heightened geopolitical uncertainty are putting pressure on international collaboration. In this context, effective and resilient multilateral institutions, such as those of the Bretton Woods system, are more vital than ever. Against this backdrop, Poland recognises the value of the rules-based multilateral system as well as the crucial roles of the IMF and the World Bank Group in helping their members to navigate the global economic transformation, preserve macroeconomic and financial stability, and promote inclusive economic growth.

The global economy is currently in a slightly better position than it was in previous years, when concerns about elevated inflation, higher-for-longer policy rates and fragile economic recovery were on top of the agenda of policymakers. Since then, inflationary pressures have moderated considerably, largely due to decisive monetary policy responses from central banks around the world.

Looking ahead, there is high uncertainty about the global economic outlook, with risks tilted to the downside. Medium-term growth prospects remain subdued, while public debt is on the upward trajectory. This weighs on confidence and forward-looking decisions, including investment. Furthermore, elevated financial and fiscal vulnerabilities could exacerbate the consequences of a deteriorating outlook. In this regard, risks to macroeconomic and financial stability are becoming increasingly correlated. In light of this, strong institutions - including independent central banks - remain essential for fostering policy confidence and trust. Moreover, credible and growth-friendly fiscal policies are urgently needed to accommodate priority spending, such as defence spending in the case of the EU, while reducing debt and rebuilding buffers going forward. In times of high debt, relatively high interest rates and low growth, many countries have limited fiscal capacity. Short-term spending pressures are likely to put further strain on policy space. In the medium term, it will be all the more necessary to restore fiscal sustainability, build buffers for future shocks and ensure space for ongoing spending priorities.

Polish economy

Against this backdrop, the Polish economy is among the significant drivers of European growth having demonstrated resilience due to a well-diversified structure, integration into regional value chains, macroeconomic stability, a stable financial sector and robust domestic labour markets. In 2024, our economy expanded by 3%. We anticipate a similar growth rate of around 3.5% this year and in 2026. This success is no coincidence. We are fostering a robust business culture, encouraging private investment and boosting competitiveness, which makes Poland one of the best places to invest. Furthermore, Poland has joined the elite group of just twenty countries worldwide with trillion-dollar economies. We are also investing in our security, which is an absolute priority. In the 2026 budget, defence spending will represent 4.8% of GDP.

Role of the IMF and World Bank Group

In the current challenging environment, the IMF should continue to play a pivotal role in assisting its members by drawing on its expertise in macroeconomic policy, its status as a central element of the global financial safety net (GFSN), and its role as a platform for multilateral cooperation. Its core mandate should continue to guide the Fund’s surveillance, capacity development, and lending activities.

The prevailing challenges make it essential to have a strong, adequately resourced and quota-based IMF at the heart of the GSFN, collaborating with Regional Financing Arrangements (RFA) and other institutions. Therefore, we support strengthened coordination across GFSN layers. In particular, existing engagements between the IMF and RFAs such as the annual high-level dialogue provide a solid basis for further strengthening of this collaboration.

Poland supports the work of the IMF and welcomes key policy reviews designed to strengthen the Fund’s core functions, including the Comprehensive Surveillance Review (CSR), the Financial Sector Assessment Program (FSAP) Review, the Review of Program Design and Conditionality, as well as the review of the Debt Sustainability Framework for Low-income Countries.

With regard to the Fund's mandate, surveillance must continue to focus on macroeconomic issues that can have a significant impact on the stability of the balance of payments and the functioning of the international monetary system. Fiscal, monetary, financial sector and exchange rate policies remain the core elements of bilateral surveillance. Issues beyond these areas should continue to be assessed through the lens of macroeconomic relevance, taking into account the Fund's constraints in terms of expertise and resources. The FSAP must be clearly risk-oriented and focused on key risks as it places a significant burden on the resources of both the IMF and the countries undergoing the process. Lessons learned from previous programmes are crucial for programme design and conditionality. The impact of global shocks on individual countries depends on their pre-existing vulnerabilities. Therefore, a comprehensive analysis of the global context must consider not only shocks, but also countries' vulnerabilities and resilience. In this more challenging, shock-prone and uncertain environment, we believe that precautionary instruments can play an important role, and the Fund should explore ways to enhance their uptake and effectiveness.

Poland welcomes the conclusion of the IMF’s 16th General Review of Quotas, which maintains the Fund’s current resource envelope and strengthens its quota-based nature. The priority now is for IMF members to finalize their domestic procedures and provide national consent to the respective quota increases, the rollback of the New Arrangements to Borrow (NAB), and the temporary extension of the Bilateral Borrowing Agreement (BBA). We strongly encourage all IMF members to take prompt action. Going forward, we are committed to working constructively on possible approaches to guide the realignment of IMF quota shares in the context of the 17th General Review of Quotas.

Poland commends the IMF’s continued engagement with Ukraine. We welcome the successful completion of the eighth review under the Extended Arrangement under the Extended Fund Facility, and we commend the Ukrainian authorities for the solid programme performance despite challenging circumstances.

Poland has always supported the World Bank Group's efforts in mobilising private capital and developing the private sector, which are powerful tools for reducing poverty and boosting shared prosperity. It plays a critical role in achieving the SDGs by driving economic growth, creating jobs, fostering innovation, facilitating technology transfer, and providing essential infrastructure and affordable goods and services. In order to achieve the SDGs by 2030, however, the private sector must be fully on board. Given the growing demand for development finance, it is crucial that the WBG supports initiatives that promote private sector development and mobilize the necessary resources to meet these demands. Significant investment is also required to address energy transitions and climate change, highlighting the important role of the private sector in mobilising finance for sustainable solutions. Poland believes that the WBG has a unique role to play in that regard, and we are pleased that the Bank has already embraced this imperative.

We support the WBG's Growth and Jobs strategy, and we welcome the fact that the central focus of the Group’s joint work is to ensure that all operations have a clear line of sight to employment. We emphasise the importance of women's participation in economic growth. Empowering women must remain a priority for the WBG, both internally and within its operations. We reaffirm our commitment to the broader agenda of diversity, equality, and inclusion.

We believe that the WBG, along with other IFIs, must continue to evolve in order to help clients overcome the complex challenges they face today. In many cases, this requires financing combined with technical assistance, capacity-building and a strong knowledge offering. This is particularly significant in light of the rapid global adoption of AI, as it would allow developing economies to enjoy the potential benefits of AI-driven transformation in a similar way to advanced economies.

In the digital age, data and technology are key enablers of development. Poland has demonstrated leadership in creating digital public and banking infrastructure, which has transformed service delivery. We believe that the WBG could play a leading role in fostering digital access ensuring the responsible use of technology while safeguarding privacy and promoting equitable access.

Regarding the 2025 Shareholding Review we support the approach of anchoring the process in the Lima Principles, which are aimed at achieving an equitable balance of voting power and protecting the smallest shareholders from their voting power being diluted. The review must reinforce the Bank's financial sustainability and safeguard its AAA rating. As a member of a mixed constituency, we place great importance on building consensus among countries of different regions, development levels and income groups. We also believe that voting rights carry financial responsibility, since the Bank depends on reliable shareholders. Furthermore, incentive structures that encourage donor countries to contribute to IDA replenishments must be maintained.

The energy transition is crucial for developing countries, as it supports economic growth, enhances energy security, improves public health and creates jobs through investment in renewable energy and energy efficiency. Against this backdrop, the specific nature of a client's national energy mix requires a flexible, tailored approach. In this context, we believe that MDBs should remove restrictions on financing nuclear energy, which is a proven, low-carbon, stable source of energy. This is particularly relevant in countries lacking viable green energy alternatives. This would be an important step towards achieving shared climate and energy goals, while respecting the different transition paths of individual countries.

The challenges we face today require innovative solutions and a collective effort. As we look ahead to 2026 and beyond, Poland reaffirms its commitment to collaborating with the international community, including the Bretton Woods institutions, to create a more inclusive, resilient and sustainable global economy.