Remarks by World Bank Group President David Malpass to the World Food Programme Executive Board

November 16, 2020

Your excellencies, Secretary General, and distinguished colleagues, I would like to thank David Beasley and the World Food Program for this important discussion.

First, let me reiterate my congratulations to WFP and to David on the well-deserved Nobel Peace Prize. Your work on the frontlines is critical in addressing food insecurity and supporting the livelihoods of families trapped in poverty around the world. The WFP is a valued partner for the World Bank Group around the world – including in Afghanistan, the Sahel, Somalia, and Yemen.

COVID-19 and the economic shutdowns have dealt an unprecedented setback to the global effort to end extreme poverty and boost shared prosperity. In its first year, the pandemic is pushing 150 million people into extreme poverty, ending two decades of steady progress on poverty reduction.

It has taken lives and disrupted livelihoods in every corner of the globe, changing our world beyond anything we could have imagined.

The hardest hit are the poorest countries and the poorest people within each country, adding to inequality. The pandemic is likely to leave a lasting scar on the next generation, with the harshest impact on women, children and the vulnerable.

COVID-19 has altered every aspect of commercial activity and trade, shrinking GDP, fueling a debt crisis and triggering severe food crises. Sickness, food insecurity, job losses, and school closures are eroding human capital, leaving a loss in earnings that may last a lifetime.

The result is an unprecedented global emergency that requires international cooperation at every level.

Let me start with the long-standing problems in the global food system. WFP and FAO estimate that the number of people facing acute food insecurity will double to 265 million people in 2020. We know that food insecurity is most acute in countries experiencing conflict and climate impacts. Our household surveys reveal that large numbers of people are running out of food or reducing food consumption in order to adjust their spending to worsening circumstances.

We have been partners this year in many high-level events to urge countries to keep trade open and food flowing across borders; to raise awareness of rising food insecurity; and to combat food loss and waste. Food systems are a major source of greenhouse gas emissions, biodiversity losses and water and air pollution.

Millions of people in East Africa are facing a triple crisis – the pandemic, the economic collapse, and the largest desert locust outbreak in decades – stark proof of the vulnerability of harvests and the urgency of putting food systems on a more healthy, sustainable and prosperous track.

These compound crises are particularly devastating in countries affected by fragility, conflict, and violence, which are facing their deepest recession in 50 years. WBG coordination with UN peacekeeping missions has been crucial to providing development support in the most insecure environments. In the Central African Republic, the DRC, and Mali, such missions have allowed the WBG to provide rapid development support as soon as insecure areas are stabilized and to extend support in areas where security risks remain high.

Solving FCV and food system problems, and dozens of others, requires international cooperation. It's particularly important to build a well-coordinated effort at the country level. We are seeking flexible, mission-driven partnerships led by the developing country and leveraging the comparative mandates, expertise, and resources of our organizations. We don't want to over-engineer this work or create rigidities, but rather to move quickly and effectively in response to country needs.

On-the-ground cooperation is particularly important in FCV settings, where the impact of COVID-19 and other crises are most intense, and where no single organization can meet the challenge alone. The WBG is eager to continue to work with others at the country level, and I look forward to our discussions today to explore how we can best do that.

International cooperation is vital at all levels and all sectors. I'd like to take a moment on the debt burden, which got much heavier due to the economic downturn. We welcome the G20's Debt Service Suspension Initiative (DSSI). It has provided much-needed fiscal breathing room for these countries. The G20's extension of this relief through June 30, the addendum to the term sheet, and the endorsement of a Common Framework are welcome steps.

However, in most cases, these initiatives provide only temporary debt relief, postponing payments but not reducing the ultimate debt burden. At the WB/IMF Annual Meetings last month, the Development Committee tasked the Bank and the Fund to propose actions to address low income countries' unsustainable debt burdens. We are working on effective approaches for debt reduction and debt resolution. Increased transparency will be critical to better balance the interests of the people with the interests of those signing the debt and investment contracts.

The urgency is clear. We need to avoid repeating the protracted debt restructuring processes that delayed past recoveries and created cycles of unsustainable debt. International cooperation is critical, so let us work together to avoid a lost decade for development.

The World Bank Group has moved rapidly to deploy its full financial capacity. We are on track to commit a record \$160 billion over 15 months, including grants and concessional financing. 40% of this amount was committed in the first six months.

We established a fast-track COVID response that has delivered emergency support to 112 countries so far. Most of these projects are now in advanced stages of disbursement for the purchase of COVID-related health supplies, such as masks and emergency room equipment. Using this framework, we are making available up to \$12 billion of fast-track financing to client countries for them to choose, purchase and deploy COVID-19 vaccines. We are already working hard with countries to provide technical advice on vaccine procurement and effective distribution.

In response to the global food security crisis, the World Bank Group has significantly stepped up investments to strengthen food security in client countries, especially in FCV settings. Important examples of this response include:

- In Afghanistan, a \$100 million grant to fund the Emergency Agriculture and Food Supply Project (EATS) will help improve food security by increasing local food production, strengthening critical commercial supply chains, and providing short-term employment in rural areas while developing productive assets.
- In the DRC, we will work to lower domestic food prices by exempting agriculture inputs and food products from taxes and fees, and support food systems by making food workers essential.
- And in Yemen, the Smallholder Agricultural Production Restoration and Enhancement Project is helping increase productivity- and nutrition-enhancing practices by smallholder farmers, and is being delivered in collaboration with UN agencies, a good example of collaboration across the humanitarian-development nexus.
- The IDA19 Crisis Response Window Early Response Financing (ERF) was developed earlier this year to provide up to \$500 million to support early responses to slow onset crises, including food insecurity in low income countries. Several countries are already seeking support from this financing as the impacts of COVID-19 continue to impact global food security.

To conclude, the challenges are daunting, but I'm optimistic that solutions are possible and indeed likely. I am encouraged by countries – and organizations like the WFP – that are taking bold action and sharing their experiences and results for the benefit of others. More must be done to build cooperation between organizations. I know that the World Bank Group is working hard to do as much as we can to help respond to the crisis and strengthen the recovery. Thank you for your attention and I wish all of you good health, safety and success.