Remarks by World Bank Group President David Malpass to the Spring Meetings
2021 Development Committee

April 9, 2021

Thank you very much, Chair. Good morning, good afternoon, good evening everyone, and welcome to the Development Committee.

Let me start by thanking Prime Minister Mottley as the Development Committee Chair. Mia, on behalf of the World Bank Group, we welcome you to the role and very much look forward to working with you.

I would also like to acknowledge our former World Bank colleague, now Director-General of the WTO, Ngozi Okonjo-Iweala, who is joining us today. It is a point of pride that we have Kristalina and Ngozi – two good friends and women who have previously been members of the World Bank team – leading our sister institutions and playing critical global roles in the development agenda today. I had the privilege of hearing strong presentations by both these women leaders at yesterday’s IMFC meeting. With Ngozi as a champion, we’re looking forward to having a strong focus on trade facilitation and development in future Development Committee meetings.

The Development Committee plays an essential and unique role in the international cooperation architecture. I’ve said this before – it is the only forum in which the governments of developed countries and developing countries, creditor countries and borrower countries, come together with a primary focus development and resource needs for developing countries.

As I detailed in my letter to Governors, our goal was to act quickly and to help as many countries as possible to respond to the COVID-19 pandemic. These actions include new COVID-related emergency health programs in 112 countries, vaccination operations that we expect will reach $4 billion of commitments available in 50 countries by mid-year, and a quick doubling of our trade and working capital finance to help fill the banking vacuum that hit private sectors. In 2020, the World Bank achieved a record 65% growth in commitments, Group-wide commitments topped $100 billion for the first time, and we expect this elevated level of delivery to continue in 2021. IFC and MIGA maintained strong levels of investment in 2020, filling critical gaps in private sector financing, including short-term liquidity and trade, caused by the global recession. ICSID has continued to ensure that international disputes under investment contracts, laws, and treaties are resolved effectively and impartially, which is key to mitigating risks that may otherwise deter much needed private investment for economic recovery.

However, the last year has made even clearer the challenges and staggering needs. One major challenge is that the current international financial architecture is heavily skewed in favor of the rich and creditor countries. It is ever important that all
voices are heard. I urge all of us to consider how we can restore growth in developing countries and help reverse the growing inequality, in terms of access to vaccinations, unsustainable debt, and adverse climate impacts.

Today, the world is developing a better line of sight forward, and our collective efforts to poverty, climate change, and inequality will be the defining choices of our age. It’s time to move urgently toward opportunities and solutions that achieve sustainable and broad-based economic growth without harming climate, degrading the environment, or leaving hundreds of millions of families in poverty.

I was very pleased with the G20’s endorsement of advancing the IDA replenishment cycle to 2021. IDA is an extremely effective platform to provide concessional resources to the poorest countries. Every dollar in donor contributions to IDA19 lead to $3.50 in IDA financing — almost double that just a half decade earlier. Your further donor contributions, and a successful and ambitious IDA20 replenishment by December, can make a vital contribution to green, resilient, and inclusive development.

I’ll quickly also mention that we presented the main elements of our Climate Change Action Plan last week. It includes ambitious new targets for climate financing and steps to ensure that climate financing has as much impact as possible in improving the trajectory of greenhouse gas emissions and saving lives and livelihoods through adaptation. In IDA countries, which account for just 4% of global emissions, but where people are very vulnerable to climate change, we will prioritize adaptation.

The plan is integrating climate and development, expanding our diagnostics, increasing the focus on results, and supporting countries with their NDCs and Long-Term Strategies. We are working to help countries wind down subsidies to carbon intensive industries and support a just transition away from coal. We’ve invited close collaboration with the IMF and other partners, and our financing flows will be aligned with the Paris Agreement.

The three papers that were prepared in preparation for today’s discussion are on Debt, COVID-19 Vaccines, and Green Resilient and Inclusive Development. These issues are critical to a sustainable recovery.

On debt, I strongly welcome the G20’s decision on Wednesday to extend the DSSI to end-2021. We are working closely with the IMF to support the implementation of the G20 Common Framework, as detailed in this joint paper. I welcome the clear statement in the G20’s communique that “the need for debt treatment, and the restructuring envelope that is required, will be based on an IMF/World Bank Debt Sustainability Analysis” as an input to the creditor committee deliberations.

In both these debt efforts, greater transparency and participation are important elements. I urge all of you to disclose the terms of your financing contracts, including reschedulings, and to support the World Bank’s efforts to reconcile borrower’s debt data more fully with that of creditors.

The DSSI was complemented by a record disbursement from IDA of US$19 billion from April through December 2020, with a significant share provided on grant terms. Over
this period, the World Bank was the biggest provider of positive net flows to DSSI countries.

On vaccines, we have been pleased to see the rapid development of safe vaccines and their deployment in some poor countries, but we are deeply concerned about the limited access around the world.

IFC is making investments to help manufacturers expand vaccine production, as well as increase the availability of medical equipment and critical supplies.

We’re working closely with the international community, including WHO, Gavi, and UNICEF, and have conducted over 140 vaccine readiness assessments and we are working with countries to address challenges from cold chain and logistics to community outreach. We’re also supporting countries to access vaccines both through COVAX and directly from manufacturers.

We remain focused on the goal of vaccinating as broad a group of countries as possible. Once again, transparency is key. To accelerate progress, the world needs much more information sharing regarding export and supply commitments and requirements.

Finally, to recover from COVID-19, we will need integrated, long-run strategies that emphasize green, resilient, and inclusive development (GRID). This must be aligned with the need for policies that help countries increase literacy, reduce stunting and malnutrition, ensure clean water and energy access, and provide better healthcare. We must help countries improve their readiness for future pandemics. We need to help them accelerate the development and adoption of digital technologies. We need to work to improve and expand local supply chains and strengthen biodiversity and ecosystems.

In our efforts to rebuild, we can generate a recovery that ensures a broad and lasting rise in prosperity, especially for the poorest and most vulnerable.

With that, I look forward to Kristalina’s intervention and today’s discussion. Thank you.