



# 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



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1. The Development Committee met virtually today, April 17, 2020.
2. Our meeting occurred at a time of unprecedented challenges due to the COVID-19 pandemic. Its devastating effects are being felt across the globe as the human and economic toll continues to rise. We express our sympathy to those affected and offer our support and solidarity to those working on the front lines fighting the pandemic.
3. The COVID-19 pandemic underscores that the development community increasingly faces global challenges requiring decisive, collective action and innovation. Multilateral cooperation is needed to contain the pandemic and mitigate its health, social, and economic consequences. The World Bank Group (WBG) is uniquely positioned to tackle these complex issues and to play a leading role via its lending, investments, knowledge, and convening capacity.
4. We encourage the WBG and the International Monetary Fund (IMF), within their respective mandates, to continue helping all clients, in partnership with the World Health Organization, other UN agencies, international financial institutions, and bilateral partners. We ask them to collaborate in addressing the pandemic, supporting economic recovery, and safeguarding progress toward the twin goals and the SDGs.
5. The global economy is experiencing an exceptional negative shock as a result of COVID-19. The attendant sharp decline in global investor confidence has severely tightened external financing conditions for countries across the income spectrum. The pandemic is disrupting trade, supply chains and investment flows. It is also leaving financial and human capital idle, while remittances, transport revenues, and income from tourism have rapidly diminished. In addition, steep drops in commodity prices are harming commodity-dependent economies. We ask the WBG to help countries mitigate these disruptions and support efforts to preserve jobs and boost confidence. Special attention should be paid to the provision of affordable medical supplies and to food security and safety. We also ask that all countries ensure the flow of vital medical supplies, critical agricultural products, and other goods and services across borders, and that they work to resolve disruptions to the global supply chains, to support the recovery.
6. The pandemic has already profoundly impacted human capital, including lives, learning, basic well-being, and future productivity. Disruptions in the delivery of essential services and food, combined with employment and income loss for households, are devastating. We ask the WBG to help governments deploy resources toward public health interventions, nutrition, education, essential services, and social protection against the immediate adverse effects of the shocks. We also support the WBG's emphasis on boosting government preparedness to protect human capital against potential subsequent waves of the outbreak and future pandemics. Efforts should place special focus on fragile situations, small island states, and the poorest and vulnerable people in all countries, with attention to gender issues.
7. We commend the IMF and WBG for their rapid response to the crisis thus far. We ask them to help client countries achieve tangible development outcomes and shorten their time to recovery. We urge the two institutions to work with countries to design and implement policies and programs that help lift the poorest households out of poverty and support small businesses. We also call on them to promote structural reforms that lay the foundations for growth and higher living standards for all. We ask them to use all available financial and advisory instruments, facilitate the sharing of lessons, and offer operational flexibility to tackle this common threat at the country, regional, and global levels.
8. We welcome the WBG's estimated financial support of up to US\$150-160 billion over the next 15 months, with a focus on the poorest and vulnerable in all client countries. We are pleased that as part of this overall response, and

through the Fast Track COVID-19 Facility, IBRD and IDA are making funds available to help developing countries in their urgent response to the public health threat, as they strengthen their health systems, shore up social safety nets, and improve access to services, while bolstering their response capacity and building up disease surveillance. IFC is also making funds available for prompt short- and medium-term financial support to trade flows and the wider private sector. MIGA is making fast-track guarantees available to meet financing needs for the immediate health response and economic recovery.

9. We also welcome the IMF's stepping up of financial support for developing countries through both its regular facilities and emergency funding, which will allow for much needed support at a time when many countries lack the policy and fiscal space to act. The doubling of annual access levels to the IMF's emergency financing facilities is an important response to the challenges faced by the membership, as is its move to accelerate internal procedures to speed up disbursements.
10. IDA countries are severely affected by the pandemic. We recognize the growing burden of debt service and the need for immediate liquidity to tackle the challenges posed by the COVID-19 crisis in a coordinated manner. We therefore strongly support the WBG initiatives for IDA countries, including frontloading of grants and highly concessional IDA19 resources. We welcome the coordinated approach agreed by the G20 and the Paris Club, supported by the WBG and IMF, toward a time-bound suspension by bilateral official creditors of debt service payments for the poorest countries that request forbearance. We call on private creditors to participate in the initiative on comparable terms. We ask the World Bank and the IMF to work with IDA countries to evaluate their debt sustainability based on enhanced transparency, to monitor the use of freed-up fiscal space, and to provide the Development Committee with a progress report at the Annual Meetings. In line with the G20 request to multilateral development banks, we ask the World Bank to further explore options for the suspension of debt service payments over the suspension period, while maintaining financial capacity, current rating, and low cost of funding, and to report to its Board in a timely manner. We also ask the WBG and IMF to review the debt challenges of middle-income countries, and to explore expeditiously a range of solutions to fiscal and debt stress in those countries on a case-by-case basis.
11. The WBG has the financial firepower to provide a meaningful long-term response to this crisis thanks to the capital increases for IBRD and IFC, as well as the successful IDA19 replenishment. We encourage all shareholders to accelerate the subscription processes and front-load their contributions to the greatest extent possible.
12. This crisis has the potential to erase development gains for many countries. The WBG must not only address immediate economic needs, but also support long-term development priorities; ensuring affordable energy access, building energy security and resilience to economic and environmental vulnerabilities and climate change. We urge the WBG and the IMF to ensure effectiveness on the ground and help countries create the conditions for inclusive and sustainable long-term growth. We also call on the WBG to maintain its critical role in key global challenges, as outlined in the capital package commitments, to achieve the twin goals of eliminating poverty and achieving shared prosperity, as well as the SDGs. It is only by rebuilding stronger and better that these goals can be achieved.
13. The next meeting of the Development Committee is currently scheduled for October 17, 2020, in Washington, DC.