Statement by
H.E. Dr. Uttama Savanayana
Minister of Finance
Thailand

Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
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101st Meeting of the Development Committee

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(VIRTUAL)

Firstly, we would like to thank Mr. David Malpass and Management for the effort in driving the World Bank Group’s agenda during this challenging time. The humanity is facing an unprecedented COVID-19 pandemic that transcends national borders and will continue to affect us all regardless of where we are. This year’s Spring Meeting comes at a critical juncture to lay down a strong foundation for the World Bank Group to fulfill its development mandate and mitigate the impact of the crisis for countries around the world, particularly, developing and less-developed countries.

Update on the World Bank Group Response to the COVID-19 Emergency

Under the current circumstances, a robust and decisive response is imperative to control the outbreak, mitigate the economic and social impacts, and maintain economic stability. This is certainly not the time for ‘Business as Usual’. Hence, we appreciate the World Bank Group’s prompt emergency response under the $14 billion Fast Track COVID-19 Facility for health sector assistance, to be followed with full ranges of financial instruments and advisory services aiming at protecting the poor and vulnerable, supporting businesses, strengthening economic resilience, and speeding up economic recovery. These are steps in the right direction and will be more effective when mobilized with broad participation from the private sector and the international community.

With the IBRD and recently concluded IFC capital increase, together with the record IDA19 replenishment, we believe that the World Bank Group is well-equipped to accelerate its support through front-loading and strategic deployment of its resources. Once the ramifications of the pandemic unfold, we call for the World Bank Group to continuously play an active role in rolling out financial and technical assistances to support member countries in their work to upgrade the national healthcare systems and their pursuit of further economic reform.

The Covid-19 Debt Initiative: International Call for Action in Support of IDA Countries

We note with concern the increasing number of IDA countries at high risk of public debt distress as it further limits their fiscal capacity to fight the pandemic. Now, more than ever, the situation needs to be tackled urgently, but also in a delicate, forward leaning and holistic manner as the COVID-19 pandemic has taken its toll on a decade of developmental gains and caused major economic dislocation for a number of countries, especially for Small States, who disproportionately have become vulnerable in this situation. Therefore, we welcome the Bank’s proposal that the official bilateral creditors temporarily suspend debt collection from all IDA countries requesting forbearance for approximately one year.
The rising public debt level also necessitates a sound policy framework to ensure that the public debt financing instruments are in line with international best practices, including sustainable and transparent lending practices as laid out in the Joint IMF-World Bank Multipronged Approach for Addressing Emerging Debt Vulnerabilities. We call on the World Bank Group to play a central role in providing tailored assistance to address the specific needs of each country and to help borrowers reduce their borrowing needs, by building fiscal buffers, identifying new growth paths, and supporting policy reforms that encourage domestic resource mobilization and expenditure consolidation.

Finally, in the face of global health risk and impending economic slowdown, it is clear that the best way forward is for all countries and international communities including the World Bank Group to stay united and fight through these difficult times together with strong global cooperation including sharing of knowledge, technology, expertise, and resources in the most efficient manner. On behalf of the Southeast Asia Voting Group, we wish the Development Committee fruitful deliberations in this 101st Meeting.