



**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)

**ONE HUNDRED AND ONE MEETING**  
**WASHINGTON, DC – APRIL 17, 2020**  
**(VIRTUAL)**

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April 17, 2020

**Statement by**

**The Honourable Bill Morneau**  
**Minister of Finance**  
**Canada**

**on behalf of Antigua and Barbuda, The Bahamas, Barbados,  
Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica,  
St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines**

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**101<sup>st</sup> Meeting of the Development Committee**

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The COVID-19 outbreak has had a devastating impact on lives, livelihoods and the global economy. Now more than ever, international organizations, governments, civil society, the private sector, and individuals must work collectively to limit the negative impacts of this pandemic.

On behalf of our constituency, I want to commend the World Bank Group's (WBG) efforts in addressing this unprecedented crisis. By promptly launching a US\$14 billion Fast Track COVID-19 Facility, the WBG has delivered a critical and swift response to its client countries, demonstrating its ability to enhance operations, amidst great uncertainty. We support the joint response by the International Bank for Reconstruction (IBRD) and the International Development Association (IDA) in launching their first-phase, multi-programmatic approach which will enable a rapid deployment of much-needed financial resources to strengthen health systems globally to protect the health and safety of people. We also support the International Finance Corporation's (IFC) efforts to provide financial support to its private sector clients to preserve employment and soften the negative impacts to long-term growth. These actions are great examples of how multilateral institutions can – and must – step up to help those that need it the most.

The global economy is facing major challenges, with both supply and demand side disruptions. We recognize that the WBG, in close coordination with the International Monetary Fund and other Multilateral Development Banks, will have an important role to play in the economic recovery. We welcome the Phase II steps proposed by the WBG to protect the poor and vulnerable, support businesses, and strengthen economic resilience and speed of recovery. More than ever, we see the importance of the multilateral system in tackling global challenges. International financial institutions must work together to identify and fill in gaps in their tools and response plans.

We also welcome the joint WBG-IMF call to enact a bilateral debt repayment moratorium for all IDA countries. Canada will participate in this common effort by asking our export credit agency, Export Development Canada, to offer such a debt repayment moratorium on all of its bilateral debt owed by IDA countries. Suspending bilateral debt repayments will provide IDA countries some urgent financial liquidity to tackle the COVID-19 crisis. We encourage all bilateral creditors to join us in this effort and coordinate through the Paris Club.

In addition to grappling with the health-related consequences of COVID-19, Small Island Developing States (SIDS) are facing a devastating loss of revenue from tourism and other industries, increasing debt burdens and limiting fiscal space to deal with the socioeconomic consequences of this crisis. It will be necessary for the WBG to consider SIDS' particular vulnerabilities and needs when conducting country

assessments and allocations so that no country is left behind. It will also be important for the WBG to provide support for critical sectors of SIDS' economies and ensure continuity of, and improvements in, their supply chains.

We strongly support the WBG's swift response to the crisis, which contributes to the WBG's goals of reducing poverty and boosting shared prosperity. However, we urge the WBG to consider specific needs of those disproportionately affected by crises: women and girls. Women are often on the front-line as health care workers or as care providers for their families and communities, while girls may be taken out of school with little opportunity of going back. We also know that gender-based violence is exacerbated in crises. We urge the Bank to bolster access to quality health care, nutrition, and principled, timely needs-based humanitarian assistance to support the needs and potential of women and girls. We must not let our guard down in our collective fight for gender equality.

We also recognize that refugees and forcibly displaced persons are likely to be particularly vulnerable in this COVID-19 crisis. Responses must take into account their vulnerability to accelerated virus transmission, given barriers to accessing health facilities, weaker sanitation systems, and high population density.

In this crisis, we are seeing firsthand the Bank's leadership, built on lessons learned and support mechanisms established in previous pandemics. We also know that climate change will increase the frequency and intensity of future disasters. The WBG's role in helping countries improve their resilience through disaster risk management is an important concept of the WBG's work and will need to adjust and continue during and post this crisis. Debt sustainability can also be impacted in crises, due to a number of factors, including loss in revenues and a need to borrow to finance recovery efforts. It is a demonstration of how sustainable and transparent debt management is a pre-condition for sustainable and inclusive growth, and is foundational for achieving the Sustainable Development Goals (SDGs). We encourage the WBG to continue strengthening its efforts to reduce debt vulnerabilities and enhance transparency, and to think about how we can "build back better."

Last year, shareholders agreed to the largest ever Replenishment of IDA, with a total of US\$82 billion. We enter this year with a renewed commitment to support the poorest and most vulnerable countries in this time of crisis, but also to ensure long-term, inclusive economic prosperity for all. One of the key outcomes of IDA-19 is the new Sustainable Development Financing Policy, which will help IDA countries address the causes of debt vulnerabilities.

We recognize that this is an uncertain time globally. We encourage the WBG to continue to be agile and responsive to countries' needs, as the situation evolves, and to stress continued cooperation with other International Financial Institutions and development actors, including other international organizations. Now, more than ever, is the time for us to all come together for the greater good.