



**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 TWO MEETING**  
**WASHINGTON, D.C. – OCTOBER 16, 2020**

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**Statement by**

**Jutta Urpilainen**  
**European Commissioner for International**  
**Partnerships**

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**102<sup>nd</sup> Meeting of the Development Committee**

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**(VIRTUAL)**

The multidimensional COVID-19 crisis calls for a multidimensional response. While our immediate priority should remain the containment and roll back of the virus, combined with mitigation of its immediate impact on people and the economy, we need to start working on the recovery.

Some talk of putting the world back on track to achieve the Sustainable Development Goals. However, the world was never on track to start with. We need a qualitative jump towards more sustainability, better coordination and shared ambition. With less than ten years to go to 2030, we have to build back much better.

This means a resilient recovery that factors in existing and future shocks. An inclusive recovery that leaves no one behind, while making the most out of digital opportunities. And a green recovery that works for our planet.

From the early days of the crisis, the EU has shown commitment to fight COVID-19 at home and abroad. We are determined to play our part in addressing the global health and socio-economic crises. Our response has been swift, ambitious – in both depth and breadth – and joined up.

In early April, we launched a ‘Team Europe’ package to support partner countries in their fight against COVID-19. By combining resources from the EU and its Member States and European financial institutions, we have so far mobilised EUR 37 billion, that are being deployed on the humanitarian, health, and socio-economic fronts.

Because diagnostics, treatments and vaccines should be accessible to all, we initiated in May a pledging marathon that helped mobilise almost EUR 16 billion to ensure collaborative development and universal deployment. We formally committed to the principle of universal, equitable and affordable access to vaccines, with a focus on the most vulnerable countries. As part of our Team Europe effort, we also pledged EUR 400 million of support to the COVAX Facility.

Later in May, at the UN Financing for Development Forum, President von der Leyen called for a Global Recovery Initiative, linking investment and debt relief to the Sustainable Development Goals. We are ready to develop partnerships under this umbrella, including with the World Bank Group.

Yet EU action, however ambitious, cannot be enough. The COVID-19 crisis calls for a coordinated global response to support the most vulnerable. The World Bank Group and the International Monetary Fund

have been at the forefront of multilateral action and the EU is proud to contribute to initiatives that are proving instrumental to mitigate the crisis' worse effects.

To make the most out of this unprecedented effort, it will be crucial that financial firepower targets the most transformative interventions through clear criteria. The EU will take this approach for the programming of the EU's external action budget for the period 2021-27.

Massive public expenditure and international solidarity are catalysts and offer a unique occasion to start doing things better. Resilience can no longer be an afterthought. Therefore, we encourage the Bank to promote climate-focused Development Policy Finance, and to increase the scrutiny of prior actions in all such operations. Equally, we support the positive steps taken by the Fund on building resilience, and encourage it to further strengthen the climate dimension of its action. We encourage the World Bank and the IMF to accelerate the launch of agreed Climate Change Policy Assessments.

It will be essential to align efforts and initiatives to maximise impact. Therefore, we call upon the World Bank Group to ensure that its own USD 12 billion financing envelope for vaccine procurement and deployment is closely aligned with the principles set out in the COVAX context on fair and equitable access.

The scale of the challenge calls for a common response. Everybody must contribute its share to global solidarity, commensurate to its capabilities.

Promoting forms of debt relief should be an integral part of the solution, as excessive levels of debt servicing hamper growth and curtail public spending and investment, which are critical to achieve the Sustainable Development Goals. The EU welcomes and supports the Debt Service Suspension Initiative, since COVID-19 is exacerbating vulnerabilities in low-income countries.

Still, more is needed. We therefore call for an extension of the Initiative beyond 2020, but also for more concrete and binding efforts to ensure participation of private creditors and all bilateral creditors on comparable terms. We will continue to work for full and transparent implementation, and call for disclosure of country-by-country data on the amounts suspended. We should also work towards linking debt relief and investments to the 2030 Agenda, thereby supporting a green, digital and inclusive recovery from the COVID crisis. This will require policy reforms and comprehensive country frameworks for sustainable financing, supported by all external partners.

The EU will continue to work closely with the World Bank and International Monetary Fund to coordinate our responses to COVID-19 and to help put the world on the path to a recovery that is qualitatively different from anything we have seen in the past.

Speed and scale, though necessary, are no longer sufficient. They have to serve a qualitative roadmap. It is my conviction that sustainability (building in resilience considerations from the outset), coordination (aligning policy initiatives) and shared ambition (all contributing their fair share) are the only way to put the world on track to achieve the Sustainable Development Goals.