Statement by

H.E. Mohamed Benchaaboun
Minister of Economy and Finance
of the Kingdom of Morocco

On behalf of the Constituency of Afghanistan, Algeria, Ghana, the Islamic Republic of Iran, the Kingdom of Morocco, Pakistan, and Tunisia
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(VIRTUAL)

Our gathering, six months ago, was marked by the outbreak of the COVID-19 pandemic and our meeting today is still featured by this unprecedented pandemic which continues to pose enormous threat to human lives, health, economic activity and jobs across the world. We believe that the WBG’s role in helping countries navigate and respond to this unprecedented crisis has been crucial. We also believe that the response has been quick, timely and well-coordinated with other partners. Therefore, we value the update on the World Bank Group COVID-19 Crisis Response provided by Management.

We also appreciate the joint IMF-WBG staff note on the Implementation and Extension of the Debt Service suspension Initiative (DSSI). The Pandemic will most likely leave many countries, with unsustainable debt levels and worsened debt vulnerabilities. As a trusted multilateral, we recognize the leadership of the Bank and the IMF to engineer and facilitate debt resolution.

We are also grateful to Management for the progress reports on 2020 Shareholding Review and on IDA Voting Rights Review.


We commend the WBG for the progress made in implementing its crisis response under the four thematic pillars and appreciate the speed, scale and selectivity demonstrated so far. We want to emphasize the importance of equity, inclusiveness and quality in the design and delivery of its interventions.

We take note and commend the WBG for delivering a record $45 billion in financial support in the fourth quarter of FY20 and for its commitment to provide $160 billion in financial support over the 15-month period from April 2020 through June 2021. Such an accomplishment reflects the remarkable capacity of the WBG and its professional staff. We indeed appreciate the Management and staff for their endeavors and tireless commitment.

We wish to highlight the importance of the Bank’s response in giving priority to interventions aimed at saving lives and strengthening the health sector. This should be our utmost priority. In this vein, we welcome IFC’s engagement with vaccine manufacturers to provide financial support to expand production capacity as well as the Bank’s plan to support countries in the purchase and deployment of COVID-19
vaccines. For our client countries affordability and timely access to vaccines are critical. In this vein, we support the Bank’s financing of 12 billion dollars aimed at helping countries to purchase and deploy vaccines.

We also note the progress made in the WBG social response to protect the poor and vulnerable. In most developing countries the pandemic has highlighted the need for countries to develop strong targeting mechanisms for social safety nets in the face of rising budget pressures. We urge management to keep leveraging the WBG’s expertise in fine-tuning countries’ targeting mechanisms for social protection. We also want to encourage the World Bank to continue to articulate interventions aimed at safeguarding human capital especially with regards to health, education and digital access.

We are pleased that the WBG crisis response framework draws on lessons from previous crises, albeit different, and we encourage the Bank to collaborate with experts from other MDBs to prepare for the recovery and subsequent stages. We also note that the World Bank remains a leader in generating knowledge products to inform policy. These products are critical components for the current response as well as preparing for future events of a similar nature.

Given the uncertainty about the depth and duration of the COVID19 crisis, countries will continue to need scaled up support over the medium term to weather its impact and build back better. The WBG must maintain its forward leaning stance beyond FY21 to protect hard won development gains and address new challenges. In this regard, we believe that a discussion in the near future on World Bank financial capacity is warranted. In the meantime, we urgently urge the Bank to explore innovative approaches to boost the Bank’s lending capacity as well as strengthen partnerships with other partners.

We are also mindful that not all clients’ demands can be met. For the very reason we agree that selectivity is key given the institutional resource constraint. We, therefore, urge the Bank to strengthen partnerships and enhance coordination with other IFIs, UN Agencies and bilateral partners as this is critical for the efficient use of scarce resources.

II. On the Joint IMF-WBG staff note: “Implementation and Extension of the Debt Service suspension Initiative (DSSI)”

We commend IMF-WBG staff for a very well-articulated paper as well as the monitoring of spending update. The lessons learned from the implementation of the initiative over the past months are clear and the adjustments are well aligned with the lessons.

We acknowledge the broad spectrum of fiscal and development needs of participating countries and fully support the case-by-case approach not only in achieving sustainable debt levels but also in monitoring expenditure prioritization.

We are also encouraged by the positive spillovers of the DSSI in enhancing transparency of public debt which is the cornerstone of sound fiscal and public finance management. We believe that proper emphasis on enhancing debt transparency and disclosure requirements should be at the core of the DSSI implementation for both creditors and debtors.

We are, therefore, fully supportive of the recommendations and next steps for the DSSI. Specifically, the one-year extension, the common MOU as well as the flexibility in repayment schedule. The latter should alleviate concerns of exacerbating debt service burdens in the coming years.
We are aware that these are significant strides made in addressing debt vulnerabilities and ensure countries have enough liquidity and fiscal space to address the crisis and its lasting impact. We, therefore, urge management to continue advocating for significant solutions to a “potential” looming debt crisis as well as advocating for countries outside the DSSI perimeter when needed.

We want to reiterate that given the limited resources for significant fiscal support by MDBs, the extension of the DSSI and other solutions related to debt are paramount to the provision of mitigation measures for many countries, especially the poorest ones, which face daunting challenges as a result of the pandemic, not only in terms of the health crisis but also in terms of the associated economic and financial crisis. We must be reminded that the current crisis is likely to push 100 million people into extreme poverty and raise the global poverty rate for the first time in a generation. In this regard, we call for a robust and coordinated approach by all MDBs in expanding concessional financing for DSSI eligible countries.

We also recognize that participation of private creditors in the DSSI is likely to yield significant debt service savings for many countries and we understand the rationale for their current stance. We continue to call on the WBG, the IMF and the G20 to reflect on incentives that could drive private creditors to participate in the DSSI.

III. On “2020 Shareholding: Report to Governors at the Annual Meetings”

On the 2020 Shareholding Review, we appreciate the progress made and are encouraged by the prevalent positive spirit of the discussion. We are in favor of completing the Review as mandated by the Governors to conduct regular 5-yearly shareholding reviews for IBRD and IFC.

We want to emphasize that this review does not require any further work for shareholding adjustment, especially it is coming two years after the conclusion of the 2018 capital increase and the start of the capital subscriptions process in IBRD and IFC.

Regarding the three main options for adopting a benchmark for future IFC shareholding reviews, we are not supportive of negotiating a separate shareholding formula. Instead we are open to further technical work to explore other options.


We are satisfied with the notable progress made as of today. However, we believe that significant work remains to complete the Review and allow us to have a holistic view of all possible options, their impact, and possible trade-offs between them.

We agree with the report’s suggestion in terms of next steps to complete the review of the building blocks by December 2020 as well as the building block combinations and implementation by the IDA19 Mid-term Review in November 2021.