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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Statement by
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Representing the Constituency of Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Singapore, Thailand, Tonga and Vietnam
More than a year has passed since the world was first hit by the current pandemic; a pandemic that spreads with an unprecedented speed and impact the global economy severely.

As we enter the second year of the pandemic, when vaccine deployment has started in many countries, we expected an accelerated recovery. Although the Fund and the Bank has put 2021 Global Growth at a more positive trajectory at 5.5 percent and at 4.0 percent respectively, the spread of the growth is significantly uneven. A number of economies in our constituencies for example, are projected to have positive growth well above the world’s average, while those who are hit harder have a substantially lower growth projection.

In light of these projections, we urge both the Bank and the Fund to step-up their effort in helping countries around the world, to effectively manage their debt burdens, improve their access to vaccine, and implement their growth recovery strategy based on the Bank’s comprehensive Growth, Resilience, and Inclusive Development (GRID) approach.

**Debt Relief under the Common Framework and Beyond**

In respect to debt relief support, we have witnessed how pandemic induced shutdown has resulted in widespread job losses and derailed SDGs progress, leading to more people pushed into extreme poverty, malnourishment, and hunger. This has also exerted undue pressure on public sector finances as governments are grappling with rising debt levels and unsustainable fiscal deficits. In this period of uncertainty, the G20, World Bank and IMF and both bilateral and private creditors must collaborate to ensure fair burden sharing scheme to help LICs and MICs overcome some of the effects by extending the Debt Service Suspension Initiative (DSSI) for additional 6 months till end of 2021. In this regard, broad reach of DSSI for all eligible countries should be pursued to provide more liquidity to LICs and MICs.

The tailored debt approach under the Common Framework (CF) for LICs and MICs is helpful. Nonetheless, debt relief is only a temporary measure and we need greater oversight and guidance from WB and IMF to address growing debt problem and mitigate elevated risk of debt distress. To this end, we welcome more clarity on how the CF complemented by policy guidance would help offset dependence on external debt through prioritizing the optimal mix of public investment and growth-friendly fiscal consolidation.

Furthermore, we need IFIs leadership to prevent future debt crisis through a more strategic approach. In this context, we believe mainstreaming of Multi-Pronged Approach alone is inadequate to ensure debt sustainability in the long run. Additional effort to develop innovative financing, especially for domestic resource mobilization among member economies, as well as promoting utilization of potential financing sources for sustainable development, such as carbon market, should be pursued.
Support for Vaccines

In regard to vaccine access, we would like to earnestly acknowledge the decisive efforts initiated by the World Bank Group for rolling out the $12 billion additional financing to the Global COVID-19 Multi Phase Approach and its invaluable work in undertaking vaccination readiness assessments. Nevertheless, the mere 2 percent vaccine deployment in low-income countries is acutely concerning and calls for more concerted and coherent global solidarity.

In this regard, we firmly believe that the Bank Group could play a leading role in strengthening advocacy and coordination with member countries and vaccine manufacturers, to deal with the issue of equitable access in a more scalable manner. To this end, IFC and MIGA can play an instrumental role further augmenting funding aimed at boosting supply of vaccines, diagnostics, and therapeutics.

The Bank can also play a more proactive role to entice client countries to engage with COVAX, so that more than the initial 20% of the population people have access to vaccines via this shared procurement platform.

Complementing the effort to secure vaccine supply, the Bank should consider enhancing its financing supports for potential countries across the world in strengthening their health system, including disease early warning, research, and response capacities. Having higher capacities in detection and response, future outbreaks could be better handled and mitigated.

Green, Resilient and Inclusive Development (GRID)

Finally, on the issue recovery, we believe that even as we are still grappling with the immediate health and economic impact of COVID-19, countries need to build back better and foster a green, resilient, and inclusive recovery post-pandemic. In this respect, we welcome the GRID approach, which describes a comprehensive framework for integrating development and climate change considerations. As we implement the approach, we should ensure that our policy advice and lending commitments to below and above GDI countries are consistent with the 2018 Capital Package commitments and contribute to meeting the SDGs and the World Bank Group’s Twin Goals. As a robust approach for global recovery, GRID implementation should continue to ensure that both technical and financial support can be given in a manner that promote the speed, feasibility, and effectiveness of the programs.

As closing, I would like underline my sincere hope that the Bank and the Fund can continue and strengthen its critical role as a reliable and effective developing partner for its member countries in this time of need.