Statement by

The Honourable Chrystia Freeland
Deputy Prime Minister and 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
More than a year after the World Health Organization (WHO) declared a global pandemic, the COVID-19 crisis continues to have a devastating impact on livelihoods, and the global economy.

On behalf of our constituency, I want to commend the World Bank Group’s (WBG) swift and comprehensive response to the crisis. The WBG is making good progress on its commitment to deliver financing of up to $160 billion by June 2021. This critical support has enabled countries to strengthen health systems, provide much-needed socioeconomic support for their citizens, while simultaneously laying the foundation for a strong and lasting recovery. The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) joint response has saved lives by financing health services and supplies in over 110 countries. The International Finance Corporation (IFC) has protected jobs and businesses through the provision of trade finance commitments, direct financial supports, and capital solutions to SMEs. These actions demonstrate how multilateral institutions can step up to provide support when it is needed most.

While direct crisis response measures are still needed, we must also invest in a green, resilient and inclusive recovery. We encourage the further mainstreaming of biodiversity and Paris alignment objectives across all of the Bank’s work, including assisting countries with designing and implementing ambitious Nationally Determined Contributions and mobilizing private capital to unlock additional climate investments. We also commend the Bank’s advice on the need to build resilience, and we encourage further Bank investments in this area, particularly to Small Island Developing States (SIDS) which have been greatly affected by the pandemic while continuing to be at risk of climate-related disasters. Finally, we recognize that this crisis has had a disproportionate impact on women and girls, and we urge the Bank to continue its work to ensure that no one is left behind.

On March 29, Canada and Jamaica co-convened the third leaders’ meeting on the United Nations Financing for Development in the Era of COVID-19 and Beyond Initiative, focused on addressing pressing debt and liquidity issues. We support the continued advancement of relevant policy recommendations developed through the Initiative, and look forward to constructive participation at the UN Economic and Social Council Financing for Development Forum in April.

We support the additional $12 billion in financing to assist developing countries in the procurement and deployment of COVID-19 vaccines. It will be essential that the WBG act in close collaboration with other development partners, particularly the WHO and COVAX, to ensure complementarity of efforts and optimal use of global resources. The WBG has a key role in strengthening health systems and bolstering vaccine production, which are essential elements for inclusive recovery.
Given the continued urgent needs in IDA countries, we support a final 6-month extension of the G20 Debt Service Suspension Initiative (DSSI). Our hope is that the added liquidity can assist with costs associated with vaccine procurement, and economic recovery. The DSSI extension may also provide short-term support while countries seek an IMF program and pursue debt relief under the Common Framework, if appropriate. In addition, we urge the WBG and the IMF to review the debt challenges of middle-income countries, including SIDS.

The successful implementation of the Common Framework for Debt Treatments will be crucial to help address the growing solvency challenges many low-income countries are facing and will also serve to improve official creditor coordination. We call on the WBG and the IMF to work closely together to support a swift implementation of the Common Framework.

We are also supportive of an early launch of the IDA-20 replenishment given the exceptional circumstances. We expect the WBG to continue to deploy its financial capacity and put forward balance sheet optimization measures to unlock additional financing to its borrowing members and advance long-term development priorities. As we all navigate through the pandemic we have to remind ourselves, hope is on the horizon. Going forward, we encourage the WBG to continue providing timely and comprehensive support to its clients and ensure strong cooperation with other International Financial Institutions, the United Nations, and other international organizations. We must all come together to manage this crisis and the road to recovery.